



Daily Report

East Asia

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Korean Nuclear Reactor Talks Held in Malaysia

DPRK Delegation Arrives

SK1009235995 Seoul KBS-1 Radio Network
in Korean 2200 GMT 10 Sep 95

[YONHAP report from Kuala Lumpur]

[FBIS Translated Text] The North Korean delegation, which is to carry out negotiations with the Korean Peninsula Energy Development Organization [KEDO] to conclude an agreement on the supply of the light-water reactor, made an arrival statement at dawn today [11 September] in Kuala Lumpur. It revealed that North Korea hopes that the United States, which is leading the KEDO, will make efforts to correctly play the leading role in the negotiations so that the negotiations will bear fruit.

The statement said that it will be an opportunity for North Korea to confirm whether the KEDO can make practical contributions to resolving the light-water reactor issue as a trustworthy counterpart for negotiations, as affirmed by the United States, and emphasized that the North Korean working-level delegation will make efforts so that good results will be made in promoting the implementation of the basic agreement between the DPRK and the United States.

First Round Called 'Opportunity'

SK1109011495 Seoul YONHAP in English
0055 GMT 11 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 11 (YONHAP) — Deputy Executive Director Choe Yong-chin of the Korean Peninsula Energy Development Organization (KEDO) said Sunday the organization's first round of talks with North Korea will end in two or three days.

Choe said the talks, negotiating the provision of light-water nuclear reactors to North Korea, bear significance in that the meeting is the first encounter between officials from the organization and the communist country.

Therefore, he said, the first round is an opportunity for the delegates from both sides to introduce themselves and prepare for their future jobs and negotiations.

He added, however, there is a possibility that both sides may resume the talks in Kuala Lumpur over several day intervals, according to their needs.

First Round Begins

SK1109091295 Seoul YONHAP in English
0831 GMT 11 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 11 (YONHAP) — The Korea Peninsula Energy Development Organization (KEDO) and North Korea opened Monday the first round of their talks to negotiate a light-water reactor supply contract at the Regent Hotel here.

Attending the talks is a 14-member KEDO delegation led by KEDO Executive Director Stephen Bosworth and including Deputy Executive Directors Choe Young-jin from South Korea and Itaru Umezu from Japan. Meanwhile, an 11-member North Korean delegation is being led by Ambassador Ho Chong.

The two sides began a plenary session without holding a preliminary meeting at the suggestion of the North Koreans.

The plenary session was followed by a luncheon with three senior delegates from each side attending. KEDO was represented by the executive director and two deputy executive directors, while the North was led by Ambassador Ho Chong, Deputy Director Yi Yong-ho of the Foreign Ministry's America Bureau and an official from the Atomic General Bureau.

Following discussions on this round of talks' itinerary and other administrative issues, both sides reportedly confirmed the agreements reached at the U.S.-North Korea light-water reactor talks held here last June and presented their basic stands on the light-water reactor supply contract to be concluded.

KEDO has already conveyed to the North Koreans for review a draft reactor supply contract comprised of 15 to 20 pages, KEDO Deputy Executive Director Choe said.

Prior to the plenary session, Choe told reporters, "Though it is being conducted under KEDO, this is the first time South Korea has sat down with the North to discuss the nuclear issue."

To reduce the risks of an impasse, the talks will consist of high-level and expert meetings and the first round will be concluded in two or three days, Choe said. Depending on the needs of both sides, however, the talks may resume after an interval of several days, he added.

Should the talks continue, they will be held by experts as Bosworth, Choe and Umezu are scheduled to attend the KEDO Board of Executives meeting slated for Thursday in Tokyo, according to Choe.

At the experts' talks, the KEDO team will be led by Special Aide to the U.S. Nuclear Ambassador [title as received] Gary Samore and the North Koreans by Yi Yong-ho, deputy director of the Foreign Ministry's America bureau, according to another South Korean official.

The experts' talks will discuss KEDO's draft light-water reactor supply contract and the North's counter-proposal. KEDO's draft contract contains what was agreed upon at last June's U.S.-North Korea light-water reactor talks, the official said.

Further on Proceedings

BK1109085495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 11 Sep 95

[FBIS Transcribed Text] North Korea and the Korean Peninsula Energy Development Organization, KEDO, have begun two days of talks in Kuala Lumpur on the supply of light water reactors. They met for an hour this morning before adjourning for a working lunch. KEDO spokesman Major (Reyes) said after the morning session that both the delegations exchanged views and important matters concerning the conclusion of the light water reactor supply agreement. Full delegation meetings will take place in the afternoon.

KEDO Executive Director Stephen Bosworth is leading a 14-member delegation to the meeting. The 11-member North Korean side is headed by its roving ambassador, Ho Chong. Also in the KEDO delegation are Deputy Executive Directors Itaru Umezumi of Japan and Yong Chin-choi of South Korea.

KEDO is the international consortium spearheaded by the United States, Japan, and South Korea to supply two reactors and alternative energy sources for North Korea in return for Pyongyang's freezing and dismantling its

existing nuclear facilities suspected to be capable of producing weapon-state plutonium.

The meeting in the Malaysian state capital takes place ahead of the KEDO executive board meeting in Tokyo on Thursday [14 September].

Officials from Washington and Pyongyang met here for more than three weeks in May and June to agree on the type of reactors.

DPRK Reportedly Demands Aid

SK1109093495 Seoul KBS-1 Radio Network in Korean 0903 GMT 11 Sep 95

[Report by correspondent Yi Kang-kyun from Kuala Lumpur]

[FBIS Translated Text] The working-level negotiations that began today in Kuala Lumpur, Malaysia, between the Korean Peninsula Energy Development Organization [KEDO] and North Korea are likely to focus on providing additional aid to North Korea totalling \$1 billion, the amount North Korea has demanded.

An ROK official who participated in today's working-level negotiations hinted that the provision of the additional aid was intensively discussed at today's meeting, saying: North Korea did not mention the additional aid during a plenary session held this morning. However, it seems the issue was discussed in a separate working-level contact attended by three high-level delegates from each side that followed the plenary session.

Regarding the North Korean demand for additional aid, KEDO has reportedly expressed its position that it may consider providing a portion of the demanded additional aid, but cannot provide \$1 billion in additional aid to North Korea.

Further on ASEAN Economic Talks in Brunei

More Links to Australia, N. Zealand

*BK0909085695 Kuala Lumpur Voice of Malaysia
in English 0800 GMT 9 Sep 95*

[FBIS Transcribed Text] ASEAN has agreed with Australia and New Zealand to establish a system of links to boost trade and investment flows.

The agreement was announced after talks in the Brunei capital between economic ministers of the ASEAN and the trade ministers of Australia and New Zealand, which are bidding for closer integration with Asia's booming economies.

ASEAN has launched a tariff reduction plan aimed at establishing an ASEAN Free Trade Area [AFTA] by the year 2003, or earlier.

Australia and New Zealand have their own Closer Economic Relations [CER] free trade pact.

Australian Minister for Trade Bob McMullan said that the AFTA-CER linkage, reflecting the open regional regionalism concept of the two groups, did not envisage their liberalization of tariffs at this stage.

A joint statement after the meeting said the ministers affirmed their commitment to the multilateral trading system and the need for regional trading agreements to promote liberalization under the framework of the World Trade Organization.

Malaysian Minister of International Trade Rafidah Aziz called it "one more subregional effort for cooperation" within the 18-nation Asia Pacific Economic Cooperation forum.

Asians composed a majority of the immigrants to Australia and New Zealand, where Japanese has become the most common second language, while trade and investment links with Asia were growing fast.

Investment Flow To Improve

*BK1009110695 Bangkok THE SUNDAY POST
in English 10 Sep 95 p 6*

[FBIS Transcribed Text] Bandar Seri Begawan—Economic ministers from Asean, Australia and New Zealand agreed yesterday to help trade and investment flow more smoothly between their two regions.

They will do this through exchange of information and cooperation on customs and standards.

They also decided that their private sectors should participate in future meetings.

"A package of activities for cooperation which was prioritised to be launched immediately and completed

within a year will have inputs from the private sectors of the two sides," said Dato Abdul Rahman Taib of Brunei.

Dato Abdul Rahman Taib chairs the meeting of Asean Economic Ministers and the "Closer Economic Relations" [CER], the Australia-New Zealand free trade pact.

It was the first time ministers from both sides met. They decided to make the meeting an annual event.

Areas of cooperation for both the immediate and long term started with the creation of a Customs Compendium for Asean and the CER countries, linkage of trade and investment database, exchange of information, and collaboration of work on standards and conformance such as on ISO 14000 environmental certification systems.

Information on standards and conformance by featuring developments in CER standards and conformance in the Asean Standards and Quality Bulletin should also be promoted, it was resolved.

The Ministers noted the significant increase in trade between the two regions, an increase of 30.8 per cent between 1993 and 1994. Two-way trade between the two regions approached US\$12.5 billion in 1994.

Australia and New Zealand have recently identified themselves as part of Asia, the largest trade area in the globe, and also Asean, the most influential group in this part of the world, it was pointed out.

Dr Suphachai Phanitchaphak, Thailand's former Deputy Prime Minister, appealed to the two countries to hold a dialogue with Asean. Senior officials from the CER participated for the first time last year in Chiang Mai.

During the informal Asean Economic Meeting in April this year in Phuket, the Ministers agreed that the ministerial meeting with the consultative partners, CER, would be held during the annual meeting in Brunei.

"CER countries, especially Australia, are concerned about the realisation of the Asean Free Trade Area (Afta), because if intra-Asean trade increases, their primary exports may be less attractive to Asean countries, at present the second major trading partner after Japan," said an Australian source.

New Zealand Minister for Trade Negotiations Philip Burdon said the proposal to speed up completion of Afta by the year 2000, three years ahead of schedule, was ambitious for Asean countries.

"It takes decades for us to be part of Afta, that's why it's more important for us to speed up trade facilitation in order that Australian and New Zealand exports can be faster in seeking out Asean markets," said the source.

Thailand's Deputy Prime Minister Amnuai Wirawan told the Thai press that the two countries had to wait (if they wanted to be included in Afta) until Afta was successful in the year 2003.

The idea of including the CER was supported by former Deputy Prime Minister Dr Suphachai Phanitchaphak. However, other Asean members rejected the idea, saying it would not be beneficial.

Dr Amnuai said Asean had to be strengthened first, and then the issue would be considered.

"Open regionalism is already in the Asean mind. Asean and the CER should realise the geographical differences and varying levels of economic development" he said.

AFTA Council Meets

BK0809095995 Bangkok THE NATION in English
8 Sep 95 pp B1,B2

[Report from Brunei by Surachai Chuphaka and Wichit Chaitrong]

[FBIS Transcribed Text] Finance Minister Surakiat Sathianthai came away empty-handed from the Afta Council meeting, where he was outclassed by his counterparts from Indonesia, the Philippines and Malaysia.

The final outcomes of the Afta Council, which implements the tariff reduction scheme for the creation of the regional free trade area, were derived from the preliminary discussions of the Asean senior officials, without any display of political will at the decision-making level.

The Afta Council rubber-stamped the adjustment to the harmonization system, the reduction of the tariff reduction scheme from 15 to 10 years, and the induction of Vietnam as a new member as forwarded by the Asean senior officials. But when it came to the crucial issue of non-processed agricultural products, which Thailand had been fighting for since the previous government, the agreement collapsed.

S B Joedono, Indonesia's trade and industry minister, announced in the middle of the meeting that Indonesia would withdraw 14 agricultural items from the temporary exclusion list and add them to the exclusion listing. This led the Asean ministers to spend all their energy debating the issue without leaving any time to layout "special arrangements" to advance the liberalization of the agricultural sector beyond the Uruguay Round framework.

Thailand would earnestly like milled rice to be included in the special arrangement scheme, but the Philippines shot this agenda down. The Philippines did not want to bring milled rice under the tariff reduction programme, fearing it would hurt its rice industry. The Philippine's

back-peddalling came against a tentative agreement on the issue at the Phuket retreat hosted by former Finance Minister Tharin Nimmanhemin.

Rafidah Aziz, Malaysia's trade and industry minister, put on a spirited show by making a commitment not to pull wood pieces and tobacco out of the exclusion list, although at the Phuket retreat Malaysia did not make a promise to do so.

Instead of focusing on a framework to deal with the list of sensitive products, the Afta ministers wasted time discussing old issues. The Asean members realized Thailand would benefit most from agricultural liberalization, particularly of rice, were the scheme to be worked out concretely.

Surakiat got caught in this maze and agreed to set up a working committee to look into any possibility of reconciling the conflicting interests of the Asean members.

He did not fight enough with his counterparts, so they stuck with the special arrangement agenda, as agreed at the Phuket retreat, which sought to systematize the scheme. If this could be achieved, Indonesia would not have been able to pull its sensitive agricultural products off the temporary list and place them on the exclusion list.

Surakiat did not do enough homework, but relied on information from his advisers and notes and briefings prepared by Thai officials. There was no display of Thailand's aggressive foreign trade policy, which he promised to bring to his ministership.

Surakiat and his advisers appeared to pay more attention to public relations exercises than the substance of the meeting. Digging into his pocket, he paid for the travelling costs of some reporters and journalists to Brunei to cover his show.

Japan, ASEAN To Hold Talks

OW0909055795 Tokyo KYODO in English
0500 GMT 9 Sep 95

[FBIS Transcribed Text] Bandar Seri Begawan, Sept. 9 KYODO — Trade ministers from Japan and the Association of Southeast Asian Nations (ASEAN) were set to hold talks Saturday [9 September] in Brunei, focusing on trade, investment and cooperation in assistance to Myanmar [Burma] and the three countries of Indochina.

Ryutaro Hashimoto, head of the Ministry of International Trade and Industry (MITI), will meet with his counterparts from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam at the annual ASEAN Economic Ministers meeting (AEM).

The talks will take up such issues as the Asia-Pacific Economic Cooperation (APEC) forum informal summit meeting in Osaka on Nov. 19 and ASEAN's efforts to achieve an ASEAN Free Trade Area (AFTA) by the year 2003 or earlier.

Hashimoto, who also attended the last so-called AEM-MITI meeting in Chiang Mai, Thailand, in September 1994, is expected to be questioned by his counterparts on the prospect of continued direct investment from Japan, as well as the appreciation of the yen and its impact on ASEAN trade and debt servicing.

ASEAN ministers are expected to urge Japan to encourage further direct investment in ASEAN and to increase local sourcing of Japanese firms operating in ASEAN.

They will also likely stress the importance of improved access to the Japanese market, especially for manufactured goods, and the need to address the growing trade deficit with Japan through further trade liberalization and deregulation.

Japan has pointed out that there has been a marked increase in ASEAN manufactured exports to Japan, while the trade deficit is a reflection of ASEAN's increasing imports of Japanese capital goods and industrial inputs, which are contributing to economic growth in the region.

At last year's meeting, the Japanese and ASEAN ministers outlined a framework for comprehensive cooperation with Cambodia, Laos, Vietnam and Myanmar in seven fields, including the promotion of market economies, infrastructure improvement, development of mineral resources and personnel training.

Malaysia in particular is expected to press for Japan's support for the East Asia Economic Caucus (EAEC) proposed four years ago by Malaysian Prime Minister Mahathir Mohamed and since endorsed by ASEAN.

The United States and Australia are opposed to the formation of the EAEC, arguing it would detract from efforts under way in APEC.

EAEC is to include the ASEAN countries as well as China, Japan and South Korea, but would exclude the U.S., Australia, Canada and New Zealand.

Japan has said it will only join if there was a consensus among the APEC members.

Osaka Summit Discussed

OW0909120895 Tokyo KYODO in English
1146 GMT 9 Sep 95

[FBIS Transcribed Text] Bandar Seri Begawan, Sept. 9
KYODO — Trade ministers from Japan and the Association of Southeast Asian Nations (ASEAN) agreed Sat-

urday [9 September] to work for a successful outcome of the Asia-Pacific Economic Cooperation (APEC) forum's informal summit to be held in Osaka in November.

The agreement was referred to in a press statement issued after a meeting between the ASEAN economic ministers and Ryutaro Hashimoto, head of Japan's Ministry of International Trade and Industry (MITI).

The statement said the ministers agreed that a plan under preparation, which is aimed at implementing APEC's Bogor Declaration calling for free trade in the Asia-Pacific region by 2020, should be "credible, practical and acceptable."

It said the plan, called the APEC Action Agenda, should also "take into consideration the diversity of levels of economic development in the Asia-Pacific region."

The reference was apparently to anxiety on the part of some developing countries over too drastic a liberalization of trade, which could hurt their fledgling domestic industries and impede their economic development.

Words of caution were voiced by Malaysian International Trade and Industry Minister Rafidah Aziz, who said at a press conference that while APEC's overall objective of liberalization in the region is laudable, "it must be remembered that APEC itself is not a negotiating forum."

"Therefore, any trade liberalization by member countries should be done on the basis of its own capability," she said. "There is nothing that binds member countries to any agreements within APEC, to any timetable, to any percentages of tariff reduction or liberalization."

Hashimoto noted to reporters that none of the 18 member economies of APEC is without "difficult and sensitive areas" when it comes to the question of trade liberalization.

"Therefore all the members should be mindful of these difficulties and try to work together to arrive at good conclusions," he said.

The statement further said the ministers reaffirmed that APEC should continue to strengthen the multilateral system in a nondiscriminatory manner consistent with the World Trade Organization (WTO).

With reference to the WTO, it said the ministers affirmed the importance of the body's ministerial review conference to be held in Singapore in December 1996 toward the implementation of the Uruguay Round package of trade decontrol agreements and said "the crucial role of the WTO should be to ensure a stable and predictable global trading environment."

The statement said that Japan and ASEAN, as major trading areas, have a common interest in ensuring the successful implementation of the Uruguay Round accords and the effectiveness of the WTO.

It said both sides agreed that any movement toward unilateral measures would undermine the achievement of the Uruguay Round accords and therefore should be avoided.

Earlier in the day, Hashimoto told his counterparts from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam that Japan will "continue offering all possible support" for the ASEAN countries, as well as for future members of the regional grouping.

He said that such economic assistance would be aimed at "the stable and sustained economic development of ASEAN" and for "the smooth integration of future members" like Cambodia, Laos and Myanmar.

The statement said the Japanese and ASEAN ministers agreed that their working group on economic cooperation in Cambodia, Laos, Vietnam and Myanmar should formulate a detailed plan for the early implementation of various work programs.

Those programs fall into seven areas of cooperation, including promotion of market economy transitions, establishing special market economy zones, supporting infrastructure development and personnel training.

Agreement on Liberal Free Trade

*BK0909103295 Bangkok THE NATION in English
9 Sep 95 pp A1, 3*

[FBIS Transcribed Text] Bandar Seri Begawan, Brunei—Despite a hiccup over Jakarta's flip-flop on Asean tariff cuts on agricultural products, economic ministers of the Association of Southeast Asian Nations agreed yesterday to work towards an earlier and more liberal free trade area.

They also agreed to intensify and expand economic cooperation to keep the seven-nation grouping in step with rapid changes in the world economic environment.

The agreements were outlined in a joint press statement issued by the ministers at the close of the two-day meeting, which will be followed by talks today with their counterparts from Japan, Australia and New Zealand.

The ministers also endorsed a draft framework accord on services and agreed to establish a dispute-settlement mechanism to cover their scheme to realize an Asean Free Trade Area (Afta) as well as an umbrella mechanism to cover disputes arising from all Asean economic cooperation agreements.

The joint statement noted that Brunei Sultan Hassanal Bolkiah urged Asean in an opening address on Thursday to achieve Afta by the year 2000, three years earlier than currently scheduled, and to broaden cooperation to encompass other important areas of economic cooperation besides trade.

Deputy Prime Minister Amnuai Wirawan, who headed the Thai delegation walked out of the scheduled joint ministerial press conference session yesterday to avoid answering questions over the failure of Asean members to endorse the inclusion of agricultural products into regionwide Asia Pacific Economic Cooperation's tariff cuts.

Amnuai left the press conference just when Indonesian Trade and Industry Minister S. B. Yudono was asked why the ministers did not reach a resolution to include agricultural products in the Apec tariff cut scheme.

Earlier, Asean announced it would support the inclusion of both industrial and agricultural products into Apec's tariff cut scheme, but the Asean common position on Apec has been weakened following Indonesia's announcement that it would pull out 14 non-processed agricultural items from the temporary exclusion list, which is subject to be phased into Afta from Jan 1, 1996.

Yudono said: "Indonesia understands both the Japanese stance, that the inclusion of agricultural product into the Apec tariff cut scheme would adversely affect Japanese farmers, and why there is a need to include the agricultural products in the scheme."

However, Indonesia's position on whether to include agricultural products in the Apec tariff cuts has not yet been concluded, Yudono said, adding that, "I myself do not expect that Indonesia can reach a clear position on the matter, due to the debate going on in Indonesia, until the issue is discussed in the Apec Summit at Osaka".

Datuk Sri Rafidah Aziz, Malaysian international trade and industry minister, said the AEM [ASEAN Economic Ministers] would not discuss in detail whether to include agricultural products in the Apec tariff cut scheme, until the coming Apec Summit in Osaka.

Vietnam's participation at the meeting, its first, was welcomed. Vietnam has submitted an indicative list of products for immediate inclusion for tariff reduction from Jan 1, 1996.

The ministers agreed to accord some flexibility to Vietnam in implementing the Common Effective Preferential Tariff (Cept) scheme by Jan 1, 2006.

In facilitating the implementation of the Cept scheme for Afta and enhancing greater economic cooperation,

the ministers agreed to the establishment of a specific Dispute Settlement Mechanism (DSM) for Cept-Afta and an umbrella DSM which will cover disputes arising from all Asean agreements on economic cooperation.

The economic ministers also agreed to continue the Asean Industrial Joint Venture (AIJV) and the Brand to Brand Complementation (BBC) schemes, despite earlier agreement to phase them out, until a new industrial cooperation scheme is formed to replace them.

Asean will continue to grant privileges to all ongoing projects and approve applications for the two schemes until a new one is implemented.

Asean ministers earlier believed the BBC and the AIJV, which provides a 90 per cent tariff privilege, will become irrelevant as Asean moves toward its goal of free trade at a 0-5 per cent tariff level by 2003 through the Cept regime.

Ministers Discuss Liberalization

BK1009134095 Bangkok THE SUNDAY NATION
in English 10 Sep 95 p A3

[FBIS Transcribed Text] BANDAR SERI BEGAWAN—Thailand agreed to some concessions on farm commodities under Apec [Asia Pacific Economic Cooperation] and accepted that sensitive areas will need extended protection, while most members of the Asean economic ministers' conference here accepted the need for trade liberalization.

Following a meeting with officials from Japan's ministry of international trade and industry (MITI), Deputy Prime Minister Amnuai Wirawan said Thailand applauded Japan's decision to adhere to the principle of comprehensiveness, which implied that the Apec Action Agenda will be flexible to some degree.

But Malaysia's Minister of Trade and Industry Rafidah Aziz insisted that liberalization of trade must be on a non-binding basis.

Thailand, as an exporter of rice—a sensitive commodity to some countries in the region—is hoping that a flexible timeframe will be considered and closer economic integration promoted.

Amnuai and other Thai ministers repeatedly said that they want rice to be included in the Apec liberalization plan while Japan is fighting to have it excluded.

"Japan's emphasis is on the principle of comprehensiveness, but in reality [the plan] is not without sensitive areas," Ryutaro Hashimoto, Japan's minister of international trade and industry, said at a press conference after meeting the Asean ministers yesterday.

Hashimoto said that as the host country of the Apec leaders' summit in November, Japan would support trade liberalization on the principle of comprehensiveness and hoped that other members would try to achieve that goal.

But with regards to the farm sector particularly rice, Hashimoto said that there were social and political factors which could not be solved overnight.

"Trade liberalization will not be successful if member countries attack the weak points of others," Hashimoto said.

The Asean economic ministers and Hashimoto discussed a wide variety of economic issues, as well as the development of Indochina.

Aziz said that while the objective of liberalization is laudable, Apec is not a negotiating forum like the General Agreement on Tariff and Trade (Gatt).

Each Apec member can make a declaration of trade liberalization, but no one can force them to any agreement, she added.

Cesar Bautista, Manila's undersecretary for trade and industry, said that as there were wide differences in economic development among the 18 members of Apec, so there must be some flexibility in the comprehensiveness principle.

The Philippines will host the Apec leaders' summit in 1996.

Singapore Minister for Trade and Industry Yeo Cheow Tong also recognized the diversify of economic development of Apec members and said each country should be allowed to open its markets in line with their capabilities.

Amnuai said after meeting with Hashimoto that Asean cooperation in Indochina would continue.

Thailand has been assigned to help Cambodia, Laos and Burma transform their central economic planning to market-oriented economies and to support worker and resource development, he said.

Documents on Cooperation Detailed

OW0809141195 Tokyo KYODO in English
1027 GMT 8 Sep 95

[By Tim Johnson]

[FBIS Transcribed Text] Bandar Seri Begawan [Brunei], Sept. 8 KYODO — ASEAN economic ministers have agreed to come up with a comprehensive plan of intensified and expanded economic cooperation to keep the seven-nation grouping in step with rapid changes in

the world economic environment, according to ASEAN internal documents.

The documents, obtained by KYODO NEWS SERVICE, said the ministers of Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam agreed in two days of talks to intensify existing economic endeavors, while initiating new areas of cooperation.

The agreement on closer economic integration coincides with a warning by Brunei's Sultan, Hassanal Bolkiah, in an opening speech Thursday, that the Association of Southeast Asian Nations "must be vigilant and ready to respond to changes in the global economy."

The envisaged ASEAN plan of cooperation, encompassing trade, investment, services, intellectual property and a dispute settlement mechanism, virtually mirrors the broad range of sectors and activities covered by the newly formed World Trade Organization (WTO).

Other sectors and areas of cooperation to be implemented under the new ASEAN plan include industry, infrastructure, energy, small and medium enterprises, finance and banking, and research and development.

The plan will be considered and approved by the ASEAN heads of government when they hold their fifth summit meeting in Bangkok in December. ASEAN officials will then be tasked to undertake detailed preparation.

While the ASEAN Free Trade Area (AFTA) is to remain the main thrust of ASEAN in the economic field, the plan calls for ASEAN to move forward in other areas to meet the challenges of the new world economic environment.

Formidable challenges identified by ASEAN at the global level, some of which ASEAN hopes to turn into opportunities, include establishment of the WTO, the trend toward regionalism, the emergence of new economies, and the increased integration and globalization of international financial markets.

At the regional level, concern has been voiced over the European Union's anticipated expansion to include the countries of Central and Eastern Europe as well as over news that the U.S. and the EU are exploring a trans-Atlantic free trade area with a combined market of 750 million consumers.

Meanwhile, China and India are becoming major economic powers competing with ASEAN for investment and trade. Nearer home, the Asia-Pacific Economic Cooperation (APEC) grouping has set 2020 as the target for freeing trade and investments.

According to the documents, such developments imply that the context within which ASEAN has cooperated economically has changed since the last summit meeting in 1992 and is set to change further as ASEAN approaches the 21st century.

The economic ministers went through a checklist of sorts, taking stock of progress achieved in some areas of cooperation, noting those areas where cooperation has been insufficient and pinpointing new areas of cooperation.

On the subject of AFTA, which has long been their preoccupation, the ministers considered proposals for a further acceleration of the timetable for realizing the free trade area by the year 2000 instead of the currently scheduled target of 2003.

While the scheme now calls for tariffs to be reduced to 5 percent or less by 2003, they also agreed to study the possibility of reducing them to zero by then.

Moving beyond trade in merchandise goods, the ministers agreed that at least two new framework agreements — one on services and the other one on intellectual property cooperation — would be prepared in time to be signed during the December summit meeting.

The effort on services, which supplements the WTO's general agreement on trade in services, aims to prepare the ASEAN services sector for further liberalization and competition in the next millennium in recognition that the volume of world trade in services now exceeds that of merchandise goods.

It identifies specific sectors for immediate liberalization, namely tourism, transport and communications, building construction and financial services.

The documents said the ministers took note of a proposed action plan on investment aimed at identifying ways of promoting and enhancing greater foreign direct investment flows to the region.

Also up for discussion at the meeting was an action plan on infrastructure development aimed partly at minimizing transaction costs in the region through improved transport and communications.

Other action plans were to be implemented in such sectors as agriculture, food, forestry, energy and minerals.

In the area of finance and banking, the ministers agreed on the need for enhanced cooperation and liberalization so as to allow mobilization, both internally and externally, of resources needed to finance infrastructure and other growth and development projects.

Noting Vietnam's entry into ASEAN last July and the anticipated admission of new members in the future, the ministers agreed on the need for ASEAN to adapt to the resulting shift in the economic balance in the region.

They conceded that ASEAN will also have to make available significant assistance in technical, financial

and development terms in order to facilitate the adjustment of new members into the competitive ASEAN and global markets.

Japan**Airlines Differ in Cargo Transport Liberalization**

*OW1109105495 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 7 Sep 95 Morning Edition p 5*

[FBIS Translated Text] Japan Airlines [JAL] and Nihon Cargo Airlines (NCA) have submitted requests to the Ministry of Transport [MOT] in preparation for the upcoming Japan-U.S. aviation talks, and the details of their requests have been disclosed. JAL takes a negative attitude about the talks on revising the cargo transport agreement. Negotiations are expected to center on cargo transport liberalization. JAL maintains: "The existing Japan-U.S. aviation agreement does not stipulate different sets of regulations for cargo and passenger transport. Therefore, to set up a specific framework for cargo transport may have an adverse impact on expected future talks on passenger transport." On the other hand, NCA requests that the number of designated airlines should be limited to two each for both Japan and the United States, and that regulations on limiting flight destinations and operating methods should be abolished. Thus, it has come to light that the two airlines take different positions.

There are several issues that were not settled at the Japan-U.S. consultations that concluded at the end of July, and JAL proposes a "mini-package" for resolving only the unsettled issues, including increasing the number of flights on specific routes. As a "designated airline," JAL is allowed, under the existing agreement, to either increase or decrease the number of flights almost at will. Pointing out that the trend of abolishing regulations on cargo transport may affect passenger transport, JAL takes a negative attitude about liberalization because it may bring about intensified competition.

NCA first demands that its status be "upgraded" to that of a designated airline just like JAL. Then, NCA claims that "a flexible framework should be established to enable a limited number of airlines — two Japanese (JAL and NCA), and two American (Northwest Airlines and Federal Express) — to decide at their own will on flight destinations as well as on increasing or decreasing the number of flights. It also insists that no other American airline, such as the United Parcel Service (UPS), should be allowed to expand their rights and interests or to advance into the market."

In response to the requests submitted by these two airlines, the MOT maintains: "To correct the imbalance in rights and interests between the two countries based on the principle of the expanded equilibrium [kakudai kinko], we must insist on setting up a flexible framework," (as stated by a senior MOT official.)

Nevertheless, concerning the NCA demand to abolish regulations and limit the number of airlines to two each for the two countries, the same official points out that "since it may lead to a unilateral expansion of rights and interests for Japanese airlines, it is quite obvious that the United States will oppose this request."

Murayama on Security Ties With U.S., SDF

*OW1109055395 Tokyo NHK General Television
Network in Japanese 0300 GMT 11 Sep 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Speaking at an 11 September meeting with high officials of the Defense Agency, Prime Minister Murayama commented on an ideal way for Japan's future defense and stressed that it is necessary to build fiduciary relations with neighboring countries while maintaining and strengthening the Japan-U.S. security system at the same time.

[Begin Murayama recording] I believe that Japan needs to exert efforts to build fiduciary relations with neighboring countries while continuing to maintain and strengthen the Japan-U.S. security system in the future. In addition to our diplomatic efforts and cooperation in such fields as humanitarian and reconstruction aid, we will continue to make active contributions to UN activities, including our participation in UN peace activities, in the humanitarian and financial areas to prevent and settle regional disputes. [end Murayama recording]

Prime Minister Murayama also touched on the Self-Defense Forces [SDF] and said that following its participation in peacekeeping operations and other activities, such as rescue missions during disasters, the people began to understand again the roles the SDF plays. Therefore, it is necessary for us to further improve the SDF.

Moreover, Prime Minister Murayama also commented on the issue of reviewing an outline of the defense plan, which is a guideline for defense policies the government is preparing, and reiterated his view that he will come up with a conclusion by the end of the year.

Article Views Telecommunications Law Problems

*OW1109043095 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 4 Sep 95 Morning Edition p 5*

[Article by economic reporter Toru Machida: "The Telecommunications Business Law — Restructuring of Its Rules Imperative"; from a weekly series "A Study on Business Laws" carried in Monday morning editions]

[FBIS Translated Text] "In the United States, ensuring inter-connectability of circuits and dividing up American Telegraph and Telephone Company's domestic op-

erations have contributed to creating high-quality services and to lowering of rates of service charges."

"Surveillance by an independent third-party agency is necessary."

Differences With the U.S. Are Clear

These were the exact comments made by the U.S. Government in June with regard to a plan on "communications circuits connection" announced by Nippon Telegraph and Telephone Company in March. The comments were in response to the request of the Ministry of Posts and Telecommunications [MOPT], which wanted to put pressure on the NTT. But when the comments did come, they were mostly meant for the administration, and MOPT's intention missed the mark. Having learned from its own experiences, the U.S. Government has come to believe it is impossible to have the "parties involved" resolve the question of connections, and, as such, has come to suggest the administration should get involved.

The process of rule-making [on interconnectability] started with the MOPT minister issuing an order late last year to ensure the connectability of circuits of the virtual personal networks (VPN) that three companies like Daini Denden Inc. (DDI) plan to install. The MOPT subsequently provided the NTT with administrative guidance [gyosei shido] on formulating rules, and the NTT on 31 August announced that it will come up with rules on the connection within at least a year and a half after 1997.

Japan has experienced no small number of instances in which the introduction of new types of communications services had to be delayed as a result of problems with interconnectability. A comparison made by the MOPT on Japan and the United States shows that Japan was 19 years late in adopting the free dial service that enables called parties to pay for calls, six years late in adopting the automatic-credit call service that enables payment using credit cards, and nine years late in adopting the dial Q2 service.

One undeniable reason for this lag is a big difference between the legal systems in the United States and Japan. The U.S. Federal Communication Law in its Article 201 gives the Federal Communication Committee (FCC) very extensive power that enables the committee not only to issue orders to make circuits connectable, but also to make a ruling on sharing of costs among the firms concerned. The communications firms themselves are only allowed to express their views in hearings. The United Kingdom uses about the same kind of rules in giving licenses to British Telecom (BT) and other companies.

Voices of Concern About Rigidity

Article 39 of Japan's Telecommunications Business Law, however, admits such power only in a limited manner. For instance, the article says an order can be issued only when "there are requests from the parties concerned, and such order is considered useful to promotion of public interests." Even a ruling [on sharing of costs among the firms concerned] can be made only "when the parties concerned cannot come to an agreement on terms despite an order issued." One executive of a new telegraph and telephone company said "we do not yet have a flexible enough framework."

In fact, the MOPT's "group to study connectability to diversify services" (a private study panel for the MOPT's Telecommunications Bureau director) in a report issued in June last year did call for actions in an extensive area and proposed requiring 1) upgrading of the inter-connectability of various telecommunications firms to the level of the United States and the United Kingdom; 2) announcing the schedule to complete connection; and 3) formulating rules for sharing cost burdens incurred from making connection. The report also pointed out as "important" the need for the creation and operation of a mediatory agency such as the one mentioned in the U.S. Government comments.

Though the report was praised as "drastic" (by value-added communications business firms), a staff official of the MOPT Telecommunications Bureau admitted, "it has not been let out of our office; we assume it had never existed." The proposal in the report to create a mediatory agency "that will work with but will be independent of the MOPT [organizationally]" did not please the conservatives in the ministry who feared such an organization "can invalidate the [ministry's] power to regulate."

On top of that, as it happened, around that time there was a torrent of voices demanding deregulation in the industry. As such, in the MOPT there were concerns that "if we call for stepped-up regulation on the issue of connectability, they might come to demand more deregulation in other areas instead." There were also concerns that "if we stressed the need to strengthen rules on connectability, it could help reinforce the view of those who insist the dividing up of the NTT (which the ministry so eagerly wants) is unnecessary." Consequently, the work of revising the rules on connectability — which holds keys to diversifying the communications services — has been abandoned.

Fight for Ministries' Interest Another Matter of Concern

As the MOPT admits, there are rules in the Telecommunications Business Law that need to be eased. Of most concern to the industry among them is the system of authorizing rates of charges. As part of the government's five-year deregulation plan, the MOPT has announced it would revise the system by coming October or November so that the companies can change their rates by simply reporting to the ministry — except for those which are closely related with the people's economic life.

Be that as it may, (according to a staff official of the NTT) the contents of what actually to come in the contents of deregulation are expected to be "limited to such things of no consequence" as those on installing push phones and free dials. While decisions are being awaited on the question of liberalizing the rates for cellular phones and portable handy phone system (PHS) — an area where seven companies are about to begin competing in — as well as on the question of revising rules on exclusive wire circuits and the satellites — an area where companies appear to have enough room to negotiate with each other — it is more than likely that decisions will be further delayed.

Even with regard to the question of ensuring transparency on the rules concerning new entry into the market, the ministry is firming up its position toward not going any further, claiming it has completed taking all the necessary actions pursuant to the Administrative Procedural Law.

The Telecommunications Business Law is a law that was legislated in a hurry 10 years ago when the telecommunications were liberalized. With sharp changes taking place in the industry, loopholes in the law are showing up. The MOPT is weak-kneed about revising the law drastically, fearing that process would lead to another fight for interest with the Ministry of International Trade and Industry and other ministries. But apparently the rules in the law need to be restructured in two ways — to tighten up regulations in some areas and to ease regulations in other areas.

Editorial on Alliance With U.S., Nye Comments

OW0909162595 Tokyo YOMIURI SHIMBUN
in Japanese 7 Sep 95 Morning Edition p 3

[Editorial: "Establish an Unshakable Japan-U.S. Alliance"]

[FBIS Translated Text] Memorial ceremonies marking the victory against Japan in the past war have ended in the United States.

U.S. President Bill Clinton, as if having in mind next year's presidential election, made a speech mainly meant for the domestic audience, which praised the war veterans, called for unity of the American people, and so forth.

Although President Clinton did not mention relations with Japan during the memorial rites, the two governments are in the process of reviewing their bilateral alliance relationship on the occasion of the 50th anniversary of the end of World War II to issue a joint statement on Japan-U.S. security to stress the importance of the alliance when President Clinton visits Japan in November.

It is also true that there is a subtle difference in the positions of the two countries on the redefinition of the security pact. Both countries need to exert efforts to activate a national debate on the Japan-U.S. alliance after the end of the Cold War.

A recent speech by U.S. Assistant Secretary of Defense Joseph Nye in Tokyo is enlightening for the purpose of conducting a more in-depth debate on security. Nye explained in detail the U.S. strategy in Asia, and clearly stated that as a Pacific nation, the United States intends to maintain its armed forces in the Asian region and continue to exercise leadership. He also asked Japan to take on more specific responsibilities.

Nye also said that the cornerstone of the U.S. Asian strategy is the Japan-U.S. alliance. He stressed that the bilateral security pact is indispensable for the security, political stability, and economic prosperity of Asia as a whole.

Nye's thinking is expected to be reflected in the joint statement on security to be issued in November. We agree with him.

The remnants of the Cold War structure can still be found in the Asia and Pacific region — for instance, on the Korean peninsula. The Japan-U.S. alliance has been the stabilizing factor in Northeast Asia. This remains true following the end of the Cold War, but there is a need to redefine the roles and responsibilities of each country.

As for Japan, it needs to clearly assert its viewpoint that following the Cold War, the bilateral alliance is not directed against any specific enemy state, but is a pillar of regional security in Asia; and that the alliance exists for the purpose of preventing the emergence of a situation of enmity between Asian countries.

Specifically, Japan has a great role to play in a number of issues, including the strengthening of cooperation in UN peacekeeping operations, concrete plans for the

creation of a venue of security dialogue in Northeast Asia, and the Japanese share in the expenses of U.S. forces stationed in Japan.

The problem is: both Japan and the United States are suffering from domestic political instability. In the United States, an inward-looking attitude, giving more importance to economics, is on the rise in anticipation of the presidential election. We hope the United States, which is now the only superpower following the Cold War, will not turn to isolationism. It is said that people like Joseph Nye, who attach importance to security, are in the minority.

Some U.S. opinion leaders also criticize the one-sidedness of the security pact. They want a review of the treaty.

On the other hand, on the Japanese side, discord has become evident in the coalition government of the Liberal Democratic Party, the Social Democratic Party of Japan, and Sakigake [Harbinger]. The Murayama administration needs to realize that it must discard its thinking of selfish pacifism, and that a debate on security, including the constitutional provisions on this, is indispensable in order to deal with the situation adequately.

Japan and the United States share common interests and goals in the Asia and Pacific region. The reconstruction of the bilateral security setup in the post-Cold War period will be the basis of a more comprehensive Japan-U.S. relationship. The Murayama administration should explain to the people the significance of the bilateral alliance in an understandable way, encourage more thoroughgoing discussions, and express the will to fulfill its responsibilities.

Article Previews UN Report on Trade, Labor

OW1009114895 Tokyo KYODO in English
1128 GMT 10 Sep 95

[Embargoed by KYODO until 0100 GMT 11 September]

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — The UN Conference on Trade and Development (UNCTAD) has warned that linking trade to labor standards will hurt both developed and developing countries.

In its annual report released globally Monday [11 September], UNCTAD also said that cheap imports from the Third World are not to blame for unemployment in the developed countries.

UNCTAD urged both the developing and developed countries to fight together against high unemployment

in the industrialized nations, which is threatening to undermine the open international trading system.

... report said the countries must fight the temptation to erect trade barriers, impose higher labor standards on developing nations and lower such standards in the industrialized world.

As a solution to unemployment in developed countries, the report cited 2.5 percent investment-led economic growth as an urgent priority. To achieve this target, UNCTAD called on the developed countries to reduce interest rates to spur investment.

The report of the Geneva-based UN Agency also calls for imposition of a one-time wealth tax to reduce budget deficits and taxation on foreign exchange trading to stabilize exchange markets.

According to the report, open unemployment has risen sharply in the nations of the Organization for Economic Cooperation and Development (OECD), a group of 25 rich countries, from an average of 3.2 percent of the labor force in 1960-73 to 7.3 percent in 1980-94.

Last year, a total of 34 million people were out of work in the advanced economies.

"Mass unemployment and falling pay for unskilled work have become a veritable scourge in the countries of the North," UNCTAD warned.

"In many quarters, the twin problems of unemployment and low pay are being blamed on the growth of international trade and investment, especially manufactured goods imports from developing countries, with the main culprit being the exploitation of cheap Third World labor," the report added.

The report, however, contended that neither low-cost, low-skill manufactured imports from developing countries nor rapid changes in the job skills required by technological progress are the cause of joblessness.

It said the real reason for unemployment is the developed countries' monetary and fiscal policies.

"The generally restrictive monetary policies implemented in the last two decades have shunted economies into low-growth paths in which low demand growth and low potential output growth have fed back into one another," it said. "Restrictive monetary policies and financial deregulation together have pushed interest rates to historically high levels," it said.

Without financial stability and more pragmatic policies designed to sustain economic growth at over 2.5 percent annually, there is little hope of a solution to unemployment, UNCTAD said.

"The solution to the employment problem lies, in the main, in raising the tempo of investment and growth. It has been estimated that if the capital stock in manufacturing in European OECD countries had growth after 1973 by a modest 1 percentage point more than was actually the case, by 1992 there would have been an extra 3.9 million jobs in manufacturing and about 4.1 million in services."

"it cannot be emphasized enough, however, that it is not possible to eliminate unemployment simply by expanding demand. This can be achieved only over a number of years, by raising productive capacity," the report also noted.

In the absence of a strategy tackling unemployment by raising overall growth, "governments may find it difficult to resist political pressures in favor of protectionist 'solutions,' with adverse consequences for all," warned the UNCTAD annual paper.

The report said that fears of economic growth fueling inflation in developed countries are unfounded under current economic conditions.

The report estimated that the world economy will roughly maintain its current momentum and grow by 2.9 percent in 1995, compared with 3.1 percent in 1994.

As for the currency crisis in Mexico, UNCTAD said Latin America's current problems stem from attracting too much liquid capital in search of quick capital gains and not stepping up investment in plant and machinery.

In its first study of financial derivatives, the UN agency said it is wrong to provide artificial incentives to trading in financial derivatives. Instead, derivatives trading should develop naturally as financial firms engage in hedging and other operations designed to manage risks, the report said.

Tokyo, Moscow Fail on Northern Issue Talks

*OW0909033695 Tokyo KYODO in English
0257 GMT 9 Sep 95*

[FBIS Transcribed Text] Moscow, Sept. 9 KYODO — Japan and Russia failed to make progress in resolving a bilateral dispute over four islands in high-level talks in Moscow on Friday [8 September], Japanese officials said.

The two sides also failed to set up a timetable for a visit to Russia by Japanese Foreign Minister Yohei Kono, which is expected to take place before the end of the year, the officials said.

Japanese Deputy Foreign Minister Shunji Yanai urged his Russian counterpart Alexander Panov for Russia to work harder to resolve the dispute on the sovereignty

over the islands of Shikotan, Kunashiri, Etorofu and the Habomai group of islets, all off Hokkaido, Japan's northernmost main island.

Yanai said although the two countries agreed to resolve the dispute "based on law and justice" in an October 1993 Tokyo declaration, no progress has been made in the past two years other than confirming the declaration. The declaration was made when President Boris Yeltsin visited Japan.

Panov said that the territorial problem is complicated and cannot be resolved soon, and that Tokyo and Moscow should try to strengthen bilateral ties in other areas.

Japan has long called for the sovereignty of the four islands, which were captured by Soviet troops at the end of World War II.

The territorial dispute has been the principal stumbling block to signing a bilateral peace treaty.

Regarding demilitarization of the islands, Panov said Russia will withdraw its troops as announced by Yeltsin in 1993.

Yeltsin said in a 1993 meeting in Tokyo with then Prime Minister Morihiro Hosokawa that Russia would withdraw its army troops from the islands except for border guards.

Then in a statement in March this year, a Russian Foreign Ministry spokesman said that Russia is not obliged to pull out its troops from the four islands despite Yeltsin's statement.

Yanai also conveyed a message from Prime Minister Tomiichi Murayama which called on Yeltsin to resolve the territorial issue.

The message said that as 50 years have passed since the end of the war, now is the time for Japan and Russia to overcome a "negative inheritance from the past" and start developing a real mutual trust.

Official: Tokyo To Lobby for Nuclear Test Ban

*OW0909091695 Tokyo KYODO in English
0905 GMT 9 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 9 KYODO — Over the coming weeks Japan will lobby the international community to support a planned United Nations resolution on an immediate halt to nuclear testing in order to reach a clear yes-vote by the world body, Foreign Ministry officials said Saturday [9 September].

The Japanese Government decided to draft such a resolution after France lifted a self-imposed test moratorium and conducted an underground nuclear test in the

South Pacific earlier this month and China in August conducted its second nuclear test this year.

France plans several other tests in coming months.

"Given that we want to force these two countries to reconsider their nuclear programs, the resolution does not have any meaning unless it is adopted by the UN General Assembly with an overwhelming majority," a senior ministry official said.

In the ideal case only China and France would vote against the resolution leading to a virtually "unanimous" adoption of the resolution, slated to be submitted to the assembly in mid-October, the official said on condition of anonymity.

There are, however, plenty of signs that national and regional interests might prevent a number of countries from criticizing China and France.

It is unclear whether the other declared nuclear powers of Britain, Russia and the United States, which have pledged to continue to honor a voluntary test moratorium, will support the resolution.

So far their reactions have been rather muted.

The governments of Germany and other countries who are close partners of France in the European Union have taken a low-key approach despite strong antinuclear protests by their citizens.

On the other hand, Australia, New Zealand and other Pacific nations have strongly condemned the tests.

The ministry is considering tabling the resolution together with several other countries. To avoid singling out France and China and ensure broad support these countries will not be explicitly named.

The resolution will urge a halt to the ongoing test series and reconsideration of current test plans. It will also call for an immediate nuclear test stop to facilitate the conclusion of a global test ban, known as the comprehensive test ban treaty, as planned by the end of next year.

Support appears to be strong among the nations of the non-aligned movement. But the official said, "there are concerns that the trend set by the three other nuclear powers might spark a high number of abstentions."

At last year's assembly, the U.S. and Britain abstained from voting for a Japanese-proposed resolution that called for the "ultimate abolition of nuclear weapons."

There is also little interest in the matter among developing countries, according to a ministry source. On the other hand, there are the outspoken antinuclear states of

the Pacific region which urge a stronger wording insisting that China and France be mentioned by name.

Foreign Minister Yohei Kono will try to win over as many countries as possible for the test ban resolution, when attending the opening of the coming General Assembly session in New York at the end of the month.

UK's Support for UN Nuclear Test Ban Urged

OW1109074495 Tokyo KYODO in English
0734 GMT 11 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — Japan urged Britain Monday [11 September] to support an initiative to submit a resolution to the United Nations seeking an end to nuclear testing, a Foreign Ministry official said.

Vice Foreign Minister Sadayuki Hayashi made the call in a meeting with John Coles, Britain's permanent undersecretary of state, during bilateral vice foreign ministerial talks.

Hayashi told Coles that Japan regrets the recent nuclear tests by China and France despite the indefinite extension of the Nuclear Nonproliferation Treaty (NPT) in May and an agreement at the time to refrain from conducting nuclear tests, the official said.

Giving high marks to Britain's moratorium on nuclear testing since 1992, Hayashi called for London's backing for the resolution Japan plans to submit to the world body in mid-October.

Coles told Hayashi that Britain understands Japan's "sensitivity" toward the nuclear problem and that Britain considers it most important to conclude negotiations on the Comprehensive Test Ban Treaty (CTBT) in 1996, the official said.

But he did not give a specific reply to Japan's call for supporting the UN resolution, the official said.

Foreign Ministry officials have said that Japan will lobby the international community over the coming weeks to win resounding support for the resolution.

But it is not yet clear whether the other three declared nuclear powers of Britain, Russia and the United States will support the resolution.

Last year, Britain and the U.S. abstained from voting for a Japanese-proposed resolution that called for the ultimate abolition of nuclear weapons.

On the bilateral front, Hayashi and Coles agreed that Japan and Britain should boost cooperation in tackling global problems, such as the environment, aid to developing countries and UN peacekeeping operations, the official said.

Japan and Britain have been holding annual vice foreign ministerial talks since 1983.

The previous meeting was in London last November, between Coles and Hayashi's predecessor Kunihiro Saito.

Official Refutes PRC Envoy on Nuclear Testing

*OW0909122095 Tokyo SANKEI SHIMBUN
in Japanese 8 Sep 95 Morning Edition p 2*

[FBIS Translated Text] Commenting on Japan's protest against China's nuclear tests, Chinese Ambassador to Japan Xu Dunxin has said, "Japan is under the protection of the U.S. nuclear umbrella, and Japan's position on nuclear tests is unfair." At a 7 September news conference, Tetsuya Nishimoto, chairman of the Joint Staff Council (JSC) of the Defense Agency, responded to the Chinese envoy's statement by saying: "It is not unnatural for a nation with no nuclear weapons to depend on a nuclear power for its security. If a nation threatens Japan with nuclear weapons, it would be natural for the nuclear power to suppress that nation."

At the news conference, Nishimoto strongly refuted the Chinese ambassador's statement by saying, "calling opposition to nuclear tests by a nation (Japan) dependent on a nuclear deterrent ridiculous lacks logic."

Commenting on France's nuclear test, Chairman Nishimoto said: "A new danger in the post-Cold War era is the proliferation of weapons of mass destruction. The nuclear Nonproliferation Treaty (NPT) was extended indefinitely because of the faith of all nonnuclear nations in the nuclear powers. France's nuclear test, going against their faith, is extremely regrettable." He was the first Japanese defense official to criticize France's nuclear test.

Sakigake To Ask That France Return Dietmen

*OW1009121095 Tokyo KYODO in English
1153 GMT 10 Sep 95*

[FBIS Transcribed Text] Mururoa, French Polynesia, Sept. 9 KYODO — A Greenpeace yacht carrying parliamentarians from Japan and other nations was seized by the French military on Saturday [9 September] when it entered French territorial waters near Mururoa Atoll as the environmentalist group launched a new campaign to protest against French nuclear tests.

Aboard the protest vessel were eight legislators from around the world including two Diet members from Japan, Ko Tanaka, 38, and Noboru Usami, 28, both with the New Party Sakigake [Harbinger] in the House of Representatives.

In addition to the Japanese, the yacht also carried lawmakers from Australia, Italy, Sweden and Luxembourg.

The yacht was a part of a protest flotilla of 15 vessels organized by Greenpeace which sailed near French territorial waters, but only the yacht carrying the parliamentarians entered French waters and was seized at around 3:20 p.m.

Observers here have suggested that Greenpeace is hoping to create an international incident by having the vessel carrying the legislators seized by the French.

Tanaka was elected to the lower house for the first time in the 1993 general election. Usami was formerly a secretary to Finance Minister Masayoshi Takemura before being elected in 1993.

Last week Takemura, head of New Party Sakigake, traveled with the two young legislators to Tahiti, where they took part in demonstrations protesting against France's plans to conduct a series of nuclear weapons tests in the South Pacific from this month through May.

France detonated a nuclear device last Tuesday in the first of the planned tests.

In Tokyo, New Party Sakigake said in a statement that it will ask the French Government to release the two Diet members belonging to New Party Sakigake as early as possible.

The statement, issued under the name of party representative Yukio Hatoyama, said it would be regrettable if the two Sakigake members went to excesses but noted that the party can understand why they were aboard the Greenpeace yacht.

Takemura told reporters that he cannot comment on how to respond to the incident because he has yet to confirm the seizure of the Greenpeace yacht.

Editorial Demands Suspension of Nuclear Tests

*OW1009155295 Tokyo SANKEI SHIMBUN
in Japanese 7 Sep 95 Morning Edition p 2*

[Editorial: We Ask France, China To Stop Nuclear Tests]

[FBIS Translated Text] France carried out a nuclear test at Mururoa Atoll in the South Pacific. This is the third nuclear test, following two Chinese tests, since the indefinite extension of the Nuclear Nonproliferation Treaty (NPT) was agreed upon last May. Regret is the only word to describe our feelings.

As for France, this is the first nuclear test since a moratorium on nuclear testing was put into effect by former President Francois Mitterrand in April 1992.

After incumbent President Jacques Chirac announced the resumption of nuclear tests on 13 June and revealed the plan to conduct eight tests from September this year through May next year, antinuclear test movements begun in the South Pacific region have spread to Europe. Seven of 15 countries in the European Union (EU) officially lodged protests against France. Such widespread movements are quite a blow to the French Government.

In addition to international criticism, France now faces a surge of opposition from its own public. The latest opinion survey shows that 63 percent of the French people oppose the resumption of nuclear tests. The approval rating for Chirac plunged to 39 percent from 54 percent in June. The nuclear test was boldly carried out in defiance of such moves. There is no doubt that it severely tarnished the image of France, the nation that adopted the Declaration of the Rights of Man and of the Citizen.

France claims that before signing the Comprehensive Test-Ban Treaty (CTBT) in 1996, these tests are necessary to guarantee the safety and credibility of its nuclear deterrence and to refine France's simulation capabilities so that a nuclear test can be done at laboratories in the future.

However, the question still remains whether it is an appropriate argument. As a matter of fact, former President Mitterrand, who was France's supreme defense commander until last May, opposes the resumption. If a leader retracts a grave decision once he has made it, a decision he asserted he will "never retract," it will seriously hurt not only his dignity but also people's confidence in him. No matter how broadly movements spread, Chirac, who just came to power, could not endanger his political career by canceling the nuclear tests. Reflecting that, he reiterated his intention to continue tests in his televised speech on 5 September.

But he has carried out one test already, so he does not need to worry about being criticized for being wishy-washy anymore.

Chirac took office as a man of "resolve and action." We want him to live up to this motto and declare "no more nuclear tests." Will it disgrace his name? On the contrary, it will certainly enhance his dignity, increase people's confidence in him, and put pressure on China.

We demand a new decision from President Chirac. At the same time, we demand that China halt its planned nuclear tests.

Hashimoto Pledges Continued ASEAN Support

OW0909105295 Tokyo KYODO in English
0914 GMT 9 Sep 95

[FBIS Transcribed Text] Bandar Seri Begawan, Sept. 9 KYODO — Japan on Saturday [9 September] pledged to continue offering economic development assistance for countries in the Association of Southeast Asian Nations (ASEAN) and for future members of the influential regional grouping.

The pledge was made by Ryutaro Hashimoto, head of the Ministry of International Trade and Industry (MITI), in Brunei at an annual meeting with his counterparts from Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Hashimoto, in an opening statement at the meeting, said Japan would "continue offering all possible support" for "the stable and sustained economic development of ASEAN" and for "the smooth integration of future members" like Cambodia, Laos and Myanmar.

The talks focus on trade, investment and cooperation between Japan and ASEAN in assistance to Myanmar and the three countries of Indochina.

Also on the agenda at the talks are such issues as the Asia-Pacific Economic Cooperation (APEC) forum's informal summit meeting in Osaka Nov. 19 and ASEAN's efforts to realize an ASEAN Free Trade Area (AFTA) by the year 2003, or earlier.

Hashimoto, who also attended the last so-called AEM [expansion unknown]-MITI meeting in Chiangmai, Thailand, in September 1994, is expected to be queried by his counterparts on the prospects of continued direct investments from Japan, as well as the appreciation of the yen and its impact on ASEAN trade and debt servicing.

ASEAN ministers are expected to urge Japan to encourage further direct investment in ASEAN and to increase local sourcing of Japanese firms operating in ASEAN.

They will also likely stress the importance of improved market access to the Japanese market, especially for manufactured goods, and the need to address the growing trade deficit with Japan through further trade liberalization and deregulation.

Hashimoto pointed out in his opening statement that ASEAN manufactured products currently comprise as much as 46 percent of total ASEAN exports to Japan.

Japan has attributed the trade deficit to increasing imports of Japanese capital goods and industrial inputs, which are contributing to ASEAN economic growth.

At last year's meeting, the Japanese and ASEAN ministers outlined a framework for comprehensive cooperation with Cambodia, Laos, Vietnam and Myanmar in seven fields, including the promotion of market economies, infrastructure improvement, development of mineral resources and personnel training.

Malaysia in particular is expected to press for Japan's support for the East Asia Economic Caucus (EAEC) proposed four years ago by Malaysian Prime Minister Mahathir Mohamed and since endorsed by ASEAN.

The United States and Australia are opposed the EAEC formation, arguing it would detract from efforts under way in APEC.

The EAEC is to include the ASEAN countries and such countries as China, Japan and South Korea, but would exclude the U.S., Australia, Canada and New Zealand.

Japan has said it would only join if there was a consensus among the APEC members.

Taiwan's Li Not To Be Invited to Osaka APEC

*OW1109105195 Tokyo ASAHI SHIMBUN
in Japanese 10 Sep 95 Morning Edition p 1*

[FBIS Translated Text] The government has firmed up plans to coordinate with Taiwan on who will represent Taiwan at a forum of the Asia-Pacific Economic Cooperation (APEC) scheduled to be held in Osaka in November. The government, in the course of coordination with Taiwan, will not invite either President Li Teng-hui or Vice Premier Hsu Li-te to attend the APEC Osaka forum, but instead will invite Chiang Ping-kun, minister of economic affairs, or another cabinet member in charge of economic affairs to attend the APEC Osaka forum. The government has firmed up the plans out of consideration for China, which has strongly objected to any Taiwanese leaders attending the APEC Osaka forum. But Taiwan still sticks to its demand that President Li Teng-hui attend the APEC Osaka forum and that country will certainly react against Japan's intention to invite a minister in charge of economic affairs to attend the APEC Osaka forum. The government is examining the possibility of sending a senior legislator from a ruling party as a special envoy to Taiwan to discuss this issue with Taiwanese officials.

Until now, APEC has twice held an informal summit attended by leaders of its member nations. The first round of an informal summit was held in Seattle (in the United States) in 1993, and the second was held in Bogor (in Indonesia) in 1994. The chairman of the Council for Economic Development has represented Taiwan at the informal summits. The government has said "it will deal with the question of who will represent

Taiwan at the APEC Osaka forum in line with that precedent."

Last December, Vice Premier Hsu Li-te concurrently served as chairman of the Council for Economic Development and the possibility emerged that Hsu would attend the APEC Osaka forum, depending on how "precedent" is interpreted. Hsu attended the Hiroshima Asian Games last December. At the time, China strongly reacted against his attendance, claiming that "his attendance runs counter to the spirit of the Japan-China Joint Statement." For this reason, the government has been hard pressed to make a judgment on who will represent Taiwan at the APEC Osaka forum.

The government will handle the question of who will represent Taiwan at the APEC Osaka forum, taking into account China's strong reaction against Taiwan's present diplomatic offensive and a June visit to the United States by President Li Teng-hui. Chinese President Jiang Zemin has suggested that he would be absent from the APEC Osaka forum if the Taiwanese leader attends the forum, and China has asked Japan to strictly live up to the "precedent." For this reason, the government has decided not to put President Li Teng-hui on the list of invitees.

If Hsu attends the APEC Osaka forum, it would disrupt the proceedings of the forum. A senior Foreign Ministry official says, "Hsu's attendance at the APEC Osaka forum will further worsen Japan-China relations, which remain chilly over China's nuclear tests."

Speaking at a 6 September Tokyo news conference, Wu Po-hsiung, secretary general of the Presidential Office in Taiwan, emphatically said: "The APEC Osaka forum could be used as a good venue for the leaders of both Taiwan and China to hold a summit meeting." In this way, Taiwan has yet to drop the demand that President Li attend the APEC Osaka forum. The prevailing view within the government is that "the government needs to show courtesy toward Taiwan in dealing with the question." It would be difficult for the government to send an incumbent cabinet member to Taiwan, with which Japan has no diplomatic relations. For this reason, a plan is under study to send one of the three executives of the ruling Liberal Democratic Party as a special envoy to Taiwan. A final settlement is likely to be made right before the opening of the APEC Osaka forum.

Article Views Tensions Between PRC, Taiwan

OW1109143795 Tokyo AERA in Japanese 4 Sep 95
p 18

[Article by editorial staff member Shunji Takaoka: "The Aim of China's Test-Firing of Missiles — Tensions Are Mounting in the Taiwan Strait"]

[FBIS Translated Text] Beijing is glaring at Taiwanese President Li Teng-hui as a "hidden crusader for the independence of Taiwan." Beijing is also irritated by President Li Teng-hui's visit to the United States, his aim to be reelected, and Taiwan's diplomatic offensive. Beijing is threatening Taiwan with nuclear tests and the test-firing of ballistic missiles into waters near Taiwan, and these threats carry a danger of China using force against Taiwan if they prove ineffective.

"In the past, China has test-fired ballistic missiles in inland areas such as Wusai (in Shanxi Province) and Shuangchengzi (in Gansu Province). From 21 to 26 July, however, China test-fired ballistic missiles into waters about 140 km north of Taiwan. This was a flagrant and intentional threat to Taiwan," says an intelligence official at the Defence Agency.

China test-fired seven vehicle-mounted M-II missiles, each with a range of about 300 km, into waters near Taiwan. One of them fell on Fujian Province after failing to hit the target sea area, and the rest appeared to have landed 10 nautical miles (about 18 km) away from the target sea area. On 17 August, China conducted the second underground nuclear test since the beginning of this year. China's simultaneous ballistic missile test-firing and nuclear test were designed to show off its nuclear attack capability.

Furthermore, from 15 to 25 August, the Chinese Navy and Air Force conducted a joint military exercise in waters north of Taiwan, test-firing ship-to-ship missiles. The joint military exercise involved a few surface ships and tens of aircraft.

It is believed that this saber rattling was aimed at blocking President Li Teng-hui from being reelected in the first direct presidential elections scheduled to be held next March in Taiwan.

China Lacks Amphibious Invasion Capability

President Li Teng-hui, who was born in Taiwan and graduated from Kyoto University in Japan, has not publicly spoken out for the "independence of Taiwan." Nonetheless, he visited the United States in June to attend an alumni gathering at Cornell University in an apparent attempt to strengthen the international status of Taiwan. He is now expressing hope to visit Japan, too.

If President Li is reelected, and if he stays on as president of Taiwan by the year 2000, this would increase the possibility of making the course more certain for Taiwan to move toward an independent nation.

Taiwan has promoted the modernization of its military strength since 1990. By about 1998, the Air Force will have 150 American-built F-16 fighters, 60 French-built Mirage 2000 fighters, and 130 domestically-built "Chingkuo" fighters. The Navy is expected to commission eight U.S.-designed "Chengkung"-class frigates (with each weighing 4,300 tons) — with the building of three frigates already completed — 16 French-designed "La Fayette"-class frigates (with each weighing 3,500 tons) in 1998. The Army will deploy anti-air "Patriot" missiles. Taiwan will have a decisive edge over China in naval and air power.

It is generally observed that China is responding to Taiwan's military buildup by test-firing ballistic missiles, conducting the nuclear test, as well as naval and air joint exercises out of impatience to take some countermeasures.

Experts at the Defense Agency believe that China does not have the capability to cross the Taiwan Strait to invade Taiwan. The decisive factor in landing operations is air power, but the only modern fighters that the Chinese Air Force has are 26 SU-27 fighters that China purchased from Russia from 1991 to 1993. The Chinese Air Force has about 500 J-7 fighters, copies of Mig-21 fighters, and a small number of J-8 fighters.

On the other hand, the Taiwanese Air Force has 270 F-5E and F-5F fighters which are superior to China's J-7 fighters, and 24 domestically-built "Chingkuo" fighters. Taiwan's pilots are highly trained.

If China uses force against Taiwan, it would incur a backlash from Western nations, laying a potential obstacle to the planned reversion of Hong Kong to China in 1997.

China's use of force against Taiwan would prompt not only Taiwan, but the United States and Japan to drastically reduce their investments in and trade with China, thereby disrupting China's policy of reform and opening up.

Future of Saber Rattling

Once China adopts a saber rattling policy toward Taiwan, it will have no choice but to step up threats to Taiwan if the policy proves ineffective. There have been many cases where China has resorted to the use of force under such circumstances.

China tried to press Vietnam to pull its troops out of Cambodia by massing troops on the border with Vietnam in 1979 when Vietnam invaded Cambodia to topple the pro-China Pol Pot government. China attacked Vietnam, which was promoting its pacification in Cambodia and ignored China's warning, only to be routed by battle-hardened Vietnamese troops.

"Since China raised its fist at Taiwan by test-firing ballistic missiles, it cannot drop the fist to save face before the raised fist generates a certain effect. Even if it is impossible for China to invade Taiwan across the Taiwan Strait, there is a high possibility that China may use force against Taiwan in one way or another by mounting terrorist attacks on Taiwan, or by shelling Jinmen and Matsu Islands," says a senior intelligence official at the Defense Agency.

Another senior intelligence official at the Defense Agency says: "The United States is on close terms with Russia, and has established diplomatic relations with Vietnam. The United States has approached North Korea, and also approved a visit to the U.S. by President Li while exporting large quantities of weapons to Taiwan. China appears to be uneasy about the situation where an encircling net is being laid. If China is driven into a corner, it will take drastic and repulsive actions."

The Taiwan Strait is likely to remain highly tense until the presidential election is held next March in Taiwan.

Tokyo Drafts Outline of New Economic Package

*OW1009155395 Tokyo YOMIURI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 1*

[FBIS Translated Text] On 8 September, the government firmed up the outline of its "emergency economic measures" to help the nation get out of the economic recession — the measures which are due to be finalized by 20 September. The package is made up of three main points: 1) additional implementation of public works projects, which will be on the largest scale ever; 2) bold actions to promote the liquidity of land; and, 3) a drastic buildup of the telecommunications systems and academic research and development efforts.

The draft package envisages securing more than 1.5 trillion yen in the second supplemental budget for the "genuine part" (the part to be borne by the central government) of the general public works projects, which will make it the biggest supplementary budget in history. It calls for investing more than 500 billion yen in programs to build up the science-technology and information communications areas. The package also calls for actions to promote the liquidity of land by urging local governments to buy land necessary for them ahead of their original plans. This means overall

projects, including local governments' own projects, will surpass 10 trillion yen in scale.

Insomuch as the government wants to consult with the ruling parties on upgrading the scale further, the program will in fact turn into the largest-ever economic package in terms of expenditures, not taking tax reduction effects into account. The government is hoping to turn this measure — coupled with the official discount rate reduction announced on 8 September and large-scale coordinated interventions in the exchange market — into "the biggest and final package to deal with the recent economic recession" which can wipe out concerns and apprehensions about deflation in the financial and banking sectors.

The government wants to raise almost all the revenues for the planned public works projects by issuing more construction bonds. In case it is decided that a surplus from last year's budget should be used for repaying outstanding public bonds, the government will also think about issuing deficit-covering public bonds as a revenue source to cover research and development programs.

Early next week, the government will start talks with the ruling parties to finalize details of the package, including the possibility of increasing the scale of the budget for the projects even further, and will make a final decision on 20 September. The bill for this year's second supplemental budget, which will be the essential part of the package, is due to be approved by the cabinet on 29 September, and will be submitted to the special session of the Diet on 5 October. The government will call for the Diet's prompt action on it.

A main feature of the package is that to offset the decline in private-sector demand, it seeks to set the government's direct contributions to general public works projects at a level surpassing that adopted in the 1.5 trillion yen budget of February 1994 which was the biggest supplementary budget ever. This is meant to respond to the demand of the economic circles saying: "The government should not only make the overall scale of projects look big, but also increase the genuine part which actually works to push up the economy."

The economic package calls for investment by the central government of more than 1 trillion yen in the area of general public projects, including expenses for relief and reconstruction of disaster areas, and about 2 trillion yen in independent projects by local governments.

In the area of measures to improve land liquidity, it proposes issuing more than 1 trillion yen worth of "public land advance acquisition program bond" in order to enable local governments to buy the land necessary

for them ahead of their original plans. As a way of promoting the advance acquisition of land, the package also proposes that the central government accept some of the acquisition actions as "contracts resulting in a treasury obligation" [kokko saimu futan koi] which will enable the central government to pay for some of the repayment expenses in later years."

BOT's Gyoten on Dollar-Yen Exchange Rate

*OW1109070495 Tokyo TOKYO SHIMBUN
in Japanese 6 Sep 95 Morning Edition p 3*

["Reading the Era" column article by Bank of Tokyo Chairman Tomio Gyoten: Why Was Yen's High Value Corrected?"]

[FBIS Translated Text] People feel somewhat better about the economy because the yen's high value came to a pause for the time being and the stock market began to rally. However, if you ask me how the economic situation and government policies improved, I have to say that there is nothing we can boast about. In other words, the market psychology [shijo shinri] defies conjecture indeed. The foreign exchange rate, in particular, is a good example. A few months ago, the exchange rate was 1 dollar to 90 yen and people thought that the yen's value was outrageously high. However, people are welcoming the exchange rate of 1 dollar to 90 yen, saying that the yen became weak. I must say that the expression "appropriate exchange rate," which we use lightheartedly, is quite ambiguous.

Primarily, the exchange rate is an economic index that has some interesting distinctive characteristics. First, an exchange rate changes by reflecting various economic conditions. At the same time, however, exchange rate fluctuations have some impact on the economic situation. There is a two-way causal sequence between the exchange rate and economic conditions.

Second, some of the causes of exchange rate fluctuation are industrial structure, competitive power in international markets, and current account balance. These factors themselves change in the medium or long run. There is a flow of international funds, which move from one market to another by reflecting changes in such primary factors. Moreover, other factors are the ones that change in a short time, such as speculation and expectations.

Third, real exchange rates are determined by combinations of such various factors and traders' views of market rates, which change every moment. To begin with, there is no such thing as an appropriate exchange rate that everybody agrees on beforehand. Therefore, an exchange rate varies not on the basis of a specific level. It moves toward the direction of either higher or lower

than an exchange rate of the previous transaction day. What I mean to say is that, primarily, exchange rates have a tendency to excessively move up or down. To determine whether an exchange rate is appropriate or not, we have no choice but to rely on post facto decisions of how the economy changed under that exchange rate.

I believe such a viewpoint becomes useful as we deal with the yen-dollar exchange rate. The fixed exchange rate, 360 yen to the dollar, established in 1949 was obviously too low for the yen. Moreover, this bargain rate continued even after the fixed exchange rate system collapsed in 1971. Under this bargain rate, Japan's trade surplus and the U.S. deficit took root. At the same time, this imbalance between the two countries consistently worked as pressure to push up the yen's value.

The 1985 Plaza Agreement became a chance to revise this trend that prevailed for 35 years after the war. The yen's low value was modified rapidly after 1985. During the following 10 years, the dollar's value went down from 240 to 80 yen, or to one-third.

However, this evaluation of the dollar-yen exchange rate became excessive in around 1994. In April of this year, the value of the dollar dropped to 80 yen, which was the peak of the excessive devaluation. The movement we have witnessed since then is an attempt to revise the yen's comparatively high value.

Evaluation of the yen's high value was a consequence of the sense of crisis currency authorities felt and psychological change among money investors who shared the same view with the currency authorities. In particular, Japanese and American currency authorities agreed that Japan's economic stagnation would have negative impacts not only on the financial markets in Japan and the United States but also on the world economy.

However, there is an element of major uncertainty about future trends. The pressure in favor of the strong yen, which was brought about by the huge amount of trade imbalance between Japan and the United States, and the power, which tries to revise the yen's excessively high value, are having a tug of war. In terms of economic management, it is desirable to stabilize the yen-dollar exchange rate at around 100 yen to the dollar. Nevertheless, its realization depends on whether or not the market agrees that balance between the two opposite powers will be kept at that level. There is no doubt that prospects of revising the trade imbalance and effectiveness of measures for that purpose are the most important factors in forming a market decision.

Tsutsumi Comments on EPA Economic Report

OW1109140995 Tokyo KYODO in English
0644 GMT 11 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — A weaker official economic assessment shows the government's concern and points to a need for more measures to help the economy, Japan's top trade and industry bureaucrat said Monday [11 September].

The insertion of the term "weak tone" shows that government "concern is included" in the assessment, said Tomio Tsutsumi, vice minister at the Ministry of International Trade and Industry (MITI).

Speaking just after the Economic Planning Agency released its monthly economic report, Tsutsumi told a regular news conference that the economic stimulus package expected to be announced this month must place special weight on helping hard-hit small and medium-sized companies.

Tsutsumi rejected a suggestion that the phrase "weak tone," which the agency said comes amid a prolonged stall in the economy's recovery, is itself too weak an expression for the economy's state.

"I think it's just right," he said, noting that he had used the same term in commenting on last week's MITI report that industrial production fell in July for the fourth straight month.

Japanese Government ministries and agencies now agree in their views of current economic conditions, Tsutsumi said.

The slump in industrial production is cited as a major factor in both the monthly economic report and in last week's gloomy "tankan" survey of business confidence by the Bank of Japan.

The upcoming stimulus package, following on the heels of Friday's cut in the central bank's official discount rate and an earlier government package of steps to curb the high yen, must boost research and development and information infrastructure as well as help smaller firms, Tsutsumi said.

He seemed to hint at support for freezing the land tax, saying "one form of its role is coming to an end," but stopped before calling for more debate on the tax.

He noted one school of thought says that Japan's land prices must fall further but another view says that a further decline could hurt financial institutions struggling under the weight of real estate loans that have gone bad due to the collapse of land prices.

Keidanren Seeks Tax Reforms in Economic Package

OW1109124095 Tokyo KYODO in English
1224 GMT 11 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — A powerful economic organization asked the government Monday [11 September] to carry out comprehensive tax reform, including a substantial cut in corporate taxes, in a new pump-priming package to be adopted as early as Sept. 20, organization officials said.

They said the request was made by the Federation of Economic Organizations (Keidanren) to Prime Minister Tomiichi Murayama.

The request also included the abolition of the land-value tax and the formulation of a large-scale supplementary budget with outlays exceeding 5 trillion yen, they said.

The federation also sought the continuation of public works projects and economic deregulation, the officials said.

Murayama was quoted as saying he has instructed ministries concerned to move ahead with economic deregulations incorporated in a yen-cooling package announced in April and study new areas of decontrols.

On the request for corporate tax cuts, Murayama cited a call by the government's tax commission for an expansion of the scope of taxable areas as a prerequisite, the officials said.

EPA Head Supports Extensive Deregulation

OW0909014795 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 7 Sep 95 Evening Edition p 2

[FBIS Translated Text] Isamu Miyazaki, director general of the Economic Planning Agency [EAP], met leaders of the Japan Association of Corporate Executives [Doyukai] (headed by representative Jiro Ushio) at a hotel in Tokyo on the morning of 7 September. When the Doyukai leaders spoke in favor of increased deregulation, Director General Miyazaki cited New Zealand as a country where deregulation was extensively carried out and said: "It is important that deregulation be carried out in all areas, without exception."

Doyukai has previously said the Murayama government tends to be laggardly in pushing deregulation.

Miyazaki also said: "It would be desirable if private corporations with vested rights now could volunteer to free themselves from protective regulations."

Editorial on Investment in Information Society

*OW1009101195 Tokyo SANKEI SHIMBUN
in Japanese 8 Sep 95 Morning Edition p 2*

[Editorial: "The Government Is Urged To Map Out a New Package of Economic Stimulus Measures While Trying To Alter Its Ideas"]

[FBIS Translated Text] It is said that the reshuffled Murayama cabinet's biggest job is to enact pump-priming measures and the government is now preparing behind the scenes to unveil a new package of comprehensive pump-priming measures on 22 September at the earliest.

For three consecutive years, from 1992 to 1994, Japan's economy registered "zero growth." The economic climate is gaining more brightness than ever since the average stock price has bounced back to the level of 17,000 yen and the yen's exchange rate against the dollar has reset to 98 yen per dollar. What needs to be done now is to hold practical discussions on what sort of policies need to be implemented to link this bright aspect of the yen-dollar exchange rate to actually spurring the economy.

The following are the theoretical backbones for the discussions that are being held in each ministry and agency in Kasumigaseki on what measures should be taken to stimulate the economy.

The government, in its economic outlook, projects this year's real growth rate at 2.8 percent. If the economy were left alone, it would achieve only a 0.7-0.8 percent real growth rate. Even if the yen's exchange rate against the dollar rose to 100 yen per dollar, this would contribute to upping the real growth rate by only 0.1 percent. In other words, measures need to be taken to push the real growth rate up by 2 percent to achieve the 2.8 percent of real growth rate projected in the government's economic outlook. Approximately 10 trillion yen is required to achieve that rate in light of Japan's gross domestic product (totalling 470 trillion yen).

From this point of view, the government is now making preparations to map out the new package of pump-priming measures which focus on three areas — additional public investment; reform of the economic structure, including the upgrading of the information infrastructure; and measures for small and medium-sized businesses.

What we want to point out, however, is that the conventional Keynesian-style pump-priming through the creation of demand has little effect on Japan's highly-sophisticated economy. In the past, approximately 60

trillion yen was poured into public works projects, but it did nothing to restore the economy.

The conventional civil-engineering-centered public works projects have generated little pervasive effect on the economy except for electoral votes. Nonetheless, the government has already front-loaded 75 percent of the public works projects during the first half of this year. If this situation is left untouched, the implementation of public works projects would face a delay toward the end of this year, necessitating their coordination. It is necessary to increase the number of the public works projects to some extent, but their number should not be increased indiscriminately.

What is more important now is that, from the standpoint of reforming the economic structure, the government has to vigorously invest in building an information society. Japan's investment in building the information society lags greatly behind the investment of the United States. This investment has a high possibility of sparking brisk investment by the private sector in plants and equipment, but this investment has remained sluggish. It is said that if investment in an information society halts the present multi-tiered business dealings and creates a mechanism which fulfills the needs of consumers, the Japanese textile industry will regain its footing.

What the government needs to do now is to map out a package of economic stimulus measures while trying to alter its ideas. Simply expanding the size of the pump-priming measures only earns the people's disappointment.

Editorial Urges Tokyo Maintain Market Stability

*OW1109002195 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 2 Sep 95 Morning Edition p 2*

[Editorial: Do Not Be a Wishful Thinker on Market Stability]

[FBIS Translated Text] The exchange and stock markets somehow managed to remain stable even after the bankruptcies of several financial institutions came to light. But the government and the Bank of Japan [BOJ] should not be too optimistic about the current stability. What they should do is to continue concerted intervention with other countries in carrying out macroeconomic policies and operating the exchange market, and make a firm resolve to settle the bad loan problem afflicting nation's financial institutions.

The United States and Europe, already feeling uneasy about Japan's financial system, actively initiated the joint intervention and simultaneously lowered interest rates to give Japan more time to handle its problems.

The current stability in the exchange market is partly a result of international efforts.

Such a concerted action indicates these nations' expectation and assumption that Japan should quickly launch an effective policy to protect a sound financial system and economic recovery.

A series of coordinated interventions in the exchange market among Japan, the United States, and Germany since late July produced remarkable results in changing market sentiments and rectifying the dollar's extreme depreciation (yen's appreciation). Some people, seeing this, call these foreign interventions "a reverse Plaza Accord" or "the second Plaza Accord." However, this is a hasty evaluation. For what we can only ascertain from these interventions is a sign of international apprehension over a vicious circle of recessions and the vulnerable financial system in Japan.

The poor credit ratings Japanese banks obtained in a recent U.S. survey also symbolize such apprehension.

The yen's recent depreciation helped the stock market bounce back, but it does not illustrate that Japan's economy is on the path of recovery. It is only the markets reacting to international efforts to give Japan more time to break from the negative spiral. The implication here is that if Japan fails to formulate swift, effective measures to deal with its financial problems, it is likely to create an adverse effect on the markets. Then, the markets would become wary of Japan's fragile financial system, possibly leading to the yen's free fall. With falling stock prices the yen's depreciation and the stock market slump would accelerate simultaneously, and the vicious circle of the Japanese economy would lead to further deterioration. Any of these could happen.

The government will soon launch full-scale discussions on the FY96 budget compilation following submission of budgetary requests from all appropriate ministers and agencies. The focus will be the economic recovery and structural adjustments in the economy. But the markets' attention is now on the FY95 second supplementary budget, as it watches the extent to which the government can take the initiative in launching economic recovery and structural reform measures.

When taking the current economic condition and the fragile financial system into consideration, we cannot allow policymakers to waste their time on unproductive discussions because our nation needs an effective policy immediately.

The government must think that the economic recovery and protection of the financial system are one issue. Because, if the government fails to succeed in eliminating bad loans, credit in the financial institutions will not be

fully restored. Eventually, this will impair economic activities and further delay the economic recovery.

Editorial on Key Rate Cut, Fiscal Reform

*OW1109113195 Tokyo MAINICHI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 5*

[Editorial: "The Government Urged To Relax Regulations in Response to Monetary Relaxation"]

[FBIS Translated Text] The official discount rate has been cut to 0.5 percent, and that figure might have been taken as an unbelievably low level 10 years ago. The abnormal situation in Japan's economy was behind the decision by the Bank of Japan to cut the official discount rate further. It goes without saying that the monetary relaxation alone is insufficient to cope with this abnormal situation.

A survey on short-term economic forecasting released by the Bank of Japan on 8 September confirmed that the current economic stalemate would continue for a long time. The inflationary pressure has continued, and the money supply has showed sluggish growth. The Bank of Japan has felt the need to seek further monetary relaxation to shore up the faltering economy.

The government will unveil a new package of pump-priming measures on 20 September. We hope the government will map out a new package of effective economic stimulus measures and will wipe out public concerns about the new package's potential failure to spur the economy.

As a positive aspect of the economy, moves toward an overly appreciated yen have halted and stock prices have bounced back. The steel and other industries, however, are saddled with "unintended inventories," and this situation is casting a cloud over personal consumption and the start of new housing construction.

The announcement of the further banking system relaxation was well timed.

The cut in the official discount rate will put an end to the trend toward rising long-term interest rates in the market and will work positively for recovery of the economy. The lowering of the official discount rate also will have the effect of allaying worldwide misgivings about Japan's banking system by making the yen weaker and the dollar stronger and providing momentum for Japanese financial institutions to increase their earnings.

We believe that the Bank of Japan need not point out that for the monetary relaxation to fully generate the desired effect, "it is necessary to boldly promote the relaxation of regulations and reform the economic structure."

With regard to the relaxation of regulations in particular, the bureaucracy has continued to sabotage it in various ways in collusion with established interest groups. Bureaucratic regulations stand in the way of expanding employment opportunities and founding new businesses in the areas of information, distribution, transport, land, and housing.

If these negative bureaucratic regulations are not abolished and if redundant government employees are not reassigned to useful posts, the people will be placed in a situation where they have to continue to pay taxes for government employees who stand in the way of their economic activities. Japan's economy no longer has room for this waste.

The business community has made various requests for the relaxation of regulations. For the relaxation of regulations not to end up as a catchphrase, the freedom of information system should be revamped without delay, the priority areas of deregulation should be chosen to help found new businesses, and then a national campaign should be waged to those ends.

The private sector has been making its utmost effort to promote the restructuring of business. The public sector, too, should make the same effort. If they fail to do so, the economy will lose its balance and government finances will go bankrupt.

In the recent recession, nearly 50 trillion yen has been poured into public works projects with the aim of stimulating the economy, but these economic stimulus steps have not generated much effect. The government should examine what has generated the effect of increasing production in public works projects.

The speedy handling of bad debts by financial institutions is one of the important economic stimulus measures. In principle, the financial institutions need to make self-help efforts. It is also important to restructure the real estate industry, which is responsible for those bad debts. Officials concerned should do everything they can to keep land prices flexible and turn the bad debts into stocks.

In conclusion, what is being questioned may be the system itself which has brought about the prosperity of Japan's economy during the post-war years. The government should not fail to seize this moment when the yen is moving toward a decline against the dollar and the banking system is unprecedentedly relaxed. We hope that all the people will work together on the issue of reforming the Japanese economic structure and pave the way for Japan to walk into the 21st century.

Murayama on SDF's PKO, Disaster Relief Roles

*OW1109035095 Tokyo KYODO in English
0113 GMT 11 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 11 KYODO — Prime Minister Tomiichi Murayama indicated Monday [11 September] that the next basic defense policy program will stress a greater role for the Self-Defense Forces (SDF) in UN peacekeeping operations [PKO] and disaster relief.

Murayama told top-ranking SDF officers at his official residence that the government intends to conclude the revision of the national defense program outline by the year-end.

The prime minister expressed appreciation of the SDF's relief activities in the wake of the Jan. 17 Kobe earthquake and the Aum Shinrikyo religious cult's nerve gas attack on Tokyo subway system in March.

Murayama said, "The people now deeply recognize the SDF as the means of protecting people's property and life. People's interest in the SDF is greater than ever."

In June, the government officially launched the revision of its basic defense policy, adopted in 1976 during the Cold War, which focused on defense against a small-scale invasion.

On the international situation in the post-Cold War period, the prime minister said the possibility of regional conflicts has increased, citing the issues of the Korean peninsula, the Spratly islands, and the Russian-held four islands off Hokkaido.

He said he will do everything possible to maintain and strengthen the Japan-U.S. security ties, while promoting confidence-building measures with neighboring nations.

He also said that nuclear testing by China and France are "extremely regrettable."

Murayama noted China and member nations of the association of southeast Asian nations have been stepping up their defense capabilities.

Murayama, who took office in late June last year, attended a meeting of top-ranking SDF officers in September the same year, a first for a prime minister from the Social Democratic Party, which long held the SDF to be unconstitutional.

Murayama Cabinet Hits All-Time Low Popularity

*OW1009145395 Tokyo MAINICHI SHIMBUN
in Japanese 9 Sep 95 Morning Edition p 1*

[FBIS Translated Text] A nationwide public opinion poll taken in early September by MAINICHI SHIM-

BUN showed the approval rating of the Murayama cabinet at 22 percent, a fall of three percentage points from the June poll, and this figure marked an all-time low approval rating for the Murayama cabinet. On the other hand, the disapproval rating of the Murayama cabinet came in at 33 percent, showing no change in the structure of the disapproval rating exceeding the approval rating. Those respondents who expressed indifference to the Murayama cabinet grew from 38 percent in the previous poll to 41 percent, an indication that some respondents who had previously approved of the Murayama cabinet turned indifferent toward the cabinet. Asked to cite three major shortcomings of the prime minister, 1) 52 percent of those polled said the prime minister lacked leadership, 2) 42 percent pointed out his failure to restart the economy, and 3) 19 percent of them indicated his failure to take measures to curb prices. In this way, his failures to exercise leadership in the August reshuffle of his cabinet, in dealing with the issue of reforming the Social Democratic Party of Japan into a new party, and to map out a package of effective economic stimulus measures all combined to put the approval rating of the Murayama cabinet at the all-time low.

The approval rating of the Murayama cabinet has been on the decline since the 1994 July poll. In the past, all cabinets, the approval rating of which have fallen below 20 percent in polls taken by the MAINICHI SHIMBUN, have resigned en masse within six months. The Murayama cabinet is nearing that level. Compared with previous cabinets, the approval rating of the Murayama cabinet was the same as that of the Uno cabinet in June 1989.

As for the support rating by party, the latest poll showed that the support rating for the New Party Sakigake [Harbinger] grew from 40 percent in the June poll to 48 percent, that for the Social Democratic Party of Japan grew from 61 percent to 65 percent, whereas the percentage of those surveyed who supported no political party fell from 17 percent in the previous poll to 11 percent. The latest poll also showed that the support rating for the Liberal Democratic Party [LDP] was down from 34 percent to 29 percent, that for the New Frontier Party from 17 percent to 13 percent, and that for the Komeito from 10 percent to 6 percent. The latest poll also showed that the supporters of the LDP were found to be evenly divided in their support for the Murayama cabinet, and 57 percent of the supporters of the New Frontier Party disapproved of the Murayama cabinet, clearly showing "their anti-Murayama attitude."

In major cities, 37 percent of those polled did not support the Murayama cabinet, and in medium cities, 34 percent of them expressed their nonsupport for the Murayama cabinet. In small cities, 30 percent

disapproved of the Murayama cabinet, and 29 percent in rural areas disapproved of the cabinet.

Murayama, Kubo Agree To Form New Party

*OW1009105195 Tokyo KYODO in English
1048 GMT 10 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 10 KYODO — Prime Minister Tomiichi Murayama and Wataru Kubo, secretary general of Murayama's Social Democratic Party (SDP), agreed Sunday [10 September] on the need to change the SDP into a new party by late October, a senior SDP official said.

The agreement came during a meeting at the Prime Minister's Official Residence to discuss how to alter the SDP into a new party with a better chance of surviving coming elections, Kazo Watanabe said. The talk was held ahead of an extraordinary party meeting set for Sept. 21.

Murayama was quoted as telling Kubo that the SDP should be united as it makes the transition into the new party.

Since Kubo proposed the plan last fall, the SDP has been preparing to dissolve itself and form a new party that gathers the nation's nonconservative political forces in an attempt to regain vigor and popularity.

Hashimoto, Koizumi Begin LDP Presidential Race

*OW1009053595 Tokyo KYODO in English
0512 GMT 10 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 10 KYODO — Trade Minister Ryutaro Hashimoto and former posts minister Junichiro Koizumi on Sunday [10 September] began their battle for the presidency of the Liberal Democratic Party, the dominant force in the ruling coalition, as the official election campaign got under way.

Hashimoto, 58, minister of international trade and industry, and Koizumi, 53, former posts and telecommunications minister, filed their candidacies for the Sept. 22 election with the party's headquarters Sunday morning.

A total of 313 Diet legislators and some 1.5 million party members across the nation will cast their ballots. Vote counting will start immediately, with the results announced the same day.

The new president will be formally endorsed at a party convention on Sept. 25, party officials said.

Hashimoto declared his bid for the presidential election in August, but Koizumi had to work until the last

minute to get the endorsement of 30 party members, a prerequisite for entering the race, to prevent the uncontested election of Hashimoto.

Before Koizumi declared his intention to seek the top LDP job, Hashimoto was the sole candidate after incumbent president Yohei Kono failed to seek reelection.

Kono, also foreign minister, announced in late August that he would not run for a second two-year term after it appeared Hashimoto had secured the support of most party members.

Although a straight fighting between Hashimoto and Koizumi will now take place, it is almost certain that Hashimoto will grab the party helm with majority support, party sources said.

At a joint press conference following the announcement of the two candidacies for party president, Hashimoto and Koizumi both said they intend to seek an LDP administration after the next general election, which could come late this year or in early 1996.

Meanwhile, Koizumi said that, if elected as president, he would not hesitate to have his party leave the ruling coalition if the LDP could not agree on policy with the administration of Prime Minister Tomiichi Murayama, especially concerning administrative and budgetary reform.

Hashimoto said, however, that what matters is the extent to which the three ruling parties can make necessary policies within the framework of the coalition.

Together with the LDP, the tripartite coalition is formed by Murayama's Social Democratic Party (SDP) [of Japan, SDPJ] and Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger] an LDP splinter group.

The two candidates showed differences on their stances on certain policies, with Koizumi putting forth his cherished but unpopular proposal to privatize postal operations, while Hashimoto expressed reluctance to accept the idea.

An organization of the heads of small post offices and their families, numbering some 147,000, who are traditional supporters of the LDP, have opposed the suggested privatization.

Earlier in the day, Koizumi unveiled a set of policy proposals, including administrative and budgetary reform, the revamping of the Japanese economy by freezing taxes on land values and scrapping taxes on securities transactions, and the need for a cautious approach to Japan's bid for permanent membership of the UN Security Council (UNSC).

Koizumi also said that intensifying moves to quash his bid for the presidency had merely strengthened his resolution to run despite everything.

In announcing his candidacy on Aug. 21, Hashimoto presented his policy proposals for "restoring the confidence of the Japanese."

On that occasion he pledged to seek a recovery of confidence in the economy as well as in politics and diplomacy, and in the government's handling of emergencies and disasters. He also expressed a positive approach to the UNSC issue.

At a supporters' rally Sunday, held before he filed his candidacy, Hashimoto said he wants to recover people's trust in the LDP so that the party can take the lead in national politics.

Leader Aspirant Hashimoto Stresses Party Reform

*OW0909082895 Tokyo KYODO in English
0810 GMT 9 Sep 95*

[FBIS Transcribed Text] Bandar Seri Begawan, [Brunei] Sept. 9 KYODO — Japan's International Trade and Industry Minister Ryutaro Hashimoto said Saturday [9 September] he will induct relatively young colleagues to top Liberal Democratic Party (LDP) posts and review the party setup if he is elected its president.

"Young members have more energy to advance. We need such energy in the (upcoming) lower house election under the single-seat constituency system," Hashimoto said.

A new electoral system combining single-seat constituencies and proportional representation will be in force in the next House of Representatives election expected to be held later this year or next.

Hashimoto also said he plans to review the LDP setup in preparation for the next general election.

He is widely expected to be elected in the Sept. 22 vote for the top post of the LDP, Japan's biggest political party and largest force in the three-party coalition government.

But a vote may not be necessary and he may be assured of the presidency Sunday, when the LDP will accept official bids for the post, if no other candidates come forward.

Hashimoto made the remarks in a meeting with reporters traveling with him in Brunei, where he was a participant in an annual meeting of the Association of Southeast Asian Nations (ASEAN) economic and trade ministers.

Commenting on a proposed tightening of controls over religious groups, he said, "The (constitutional right of)

freedom of religion is different from allowing religious organizations to be completely free."

A bill to tighten controls over religious organizations is expected to be submitted to the Diet, which will convene in late September, following the fatal gassing and other criminal acts allegedly carried out by the religious cult Aum Shinrikyo.

Taku Yamasaki Interviewed on Politics, Economy

952B0214A Tokyo SEIKAI SHUNJU in Japanese
Aug 95 pp 22-27

[Article by Asao Yamaguchi of an interview with Taku Yamasaki]

[FBIS Translated Text] Taku Yamasaki, age 58, has been elected to the House of Representatives eight times. After graduating from Waseda University, where he majored in business, he served as an assemblyman in the Fukuoka Prefecture. In 1972, he was elected to the House of Representatives, and during his tenure, he has served as deputy chief cabinet secretary, director general of the Defense Agency, and construction minister. He is currently the chairman of the Liberal Democratic Party's [LDP] Diet Affairs Committee, chairman of the Group of Diet Members to Promote the Public Election of the Prime Minister, as well as the general secretary of the Group New Century.

Political Power Will Diminish if Cabinet Reshuffle Does Not Take Place Before Upper House Election; If SDPJ Gets Less Than 22 Seats in the Election, Prime Minister Should Take Responsibility

[Yamaguchi] The Diet session has ended, but I guess your job as the chairman of the Diet Affairs Committee keeps you busy all the time.

[Yamasaki] True, because I have to consult with the other parties in power.

[Yamaguchi] What have you concentrated on during these discussions?

[Yamasaki] I have tried actively to attend meetings among the three parties in power and also to confer with opposition parties.

[Yamaguchi] There will soon be the upper house election. I believe this will be a crucial election for the Murayama administration. What is your view on this?

[Yamasaki] I think it depends on whether or not the administration can win the hearts of the people by taking measures to turn the political situation around. This means that because the administration did not dissolve

the House of Representatives, a cabinet reshuffle is the only way left to improve the situation.

[Yamaguchi] I see.

[Yamasaki] If the administration does nothing but plunge into the upcoming election, the results will only reflect voters' judgment, which will hit the administration hard. This will make it difficult for the Murayama cabinet to continue.

[Yamaguchi] I understand that there is a possibility of forming a new agreement among the three parties in power. What is the prospect of realizing such an agreement?

[Yamasaki] This will be handled by the three chairmen of the policy research council/policy board, representing three parties. I am confident that an agreement will be reached, because everyone is enthusiastic about it.

[Yamaguchi] What do you think is the breaking point for the Social Democratic Party of Japan [SDPJ] concerning the election outcome?

[Yamasaki] Prime Minister Murayama clearly said that it would take "22 seats." However, unless a new "Merkmal"(target) is established by our three parties, and if the election results are less than 22 seats, the SDPJ will have to take responsibility for this unsupported and unsubstantiated figure of 22.

[Yamaguchi] I agree. Twenty-two seats seem unrealistic.

[Yamasaki] It will be difficult, unless a new cabinet is formed to decide on the number of target seats for three parties.

[Yamaguchi] Your view is that a cabinet reshuffle is necessary before the upper house election. Right?

[Yamasaki] Yes. Otherwise, I believe the administration will not survive.

The New Frontier Party [NFP] Gained Its First Centripetal Force; Political Hope, Funada, Approaches YKK

[Yamaguchi] It appears that Mr. Hajime Funada of the New Frontier Party has been seeing you often. What do you think of the NFP?

[Yamasaki] It is now an opposition party, and it has become something of a "centrifugal separator." Since political power acts as a centripetal force, the lack of political power, consequently, acts as a centrifugal separator, I guess. I understand that the NFP submitted a no-confidence motion against the government to regain its centripetal force. Although the NFP's no-confidence

motion was defeated by a large margin, this action helped to build up the party's solidarity. I believe this was the first time that the NFP acted together.

[Yamaguchi] That's right. What do you think of Mr. Funada personally?

[Yamasaki] He is an emerging young "hope" for both the NFP and Japan's political world. I feel that he deserves a better place in Japan's political scene.

[Yamaguchi] After all, you and Mr. Funada have things in common. Don't you?

[Yamasaki] He originally belonged to the LDP, so I think his ideas and actions are very much like ours.

[Yamaguchi] What does your group, the so-called YKK (Yamasaki, Koichi Kato, and Junichiro Koizumi), share with Mr. Funada?

[Yamasaki] Perhaps it is that we constantly aim and work for reform.

[Yamaguchi] They say that your group and Mr. Funada are promoting a generational shift. Is that right?

[Yamasaki] Well, that may be one of our common grounds. It should be pointed out that he used to be a member of the Keiseikai (Takeshita faction), which we oppose. We do not have the same factional backgrounds. However, it is currently said that he is against "ichi-ichi" (Ichiro Ozawa-Yuichi Ichikawa), that is to say, against heavy-handed power politics. I guess that is why he joined our pattern of action.

Powerful Party in Power Will Result in Division of Constitutional Reformists and Protectionists in 10 Years; Post-Murayama Candidate Depends on Timing of Murayama's Resignation.

[Yamaguchi] At the same time, there are discussions involving a merger of conservatives. I feel that there are different "patterns" of conservative mergers. What do you think is the best merger?

[Yamasaki] I think it will take about 10 years before two groups are formed: one group will be for reforming the Constitution, and the other, for protecting the Constitution. Eventually the party in power will become more powerful, taking the form of a saving-the-nation alliance. It may have the element of the old concept of the "Imperial Rule Assistance Association." I believe the party in power will gradually gain force after the single-seat electoral system is implemented. After it becomes strong, it will split into two.

[Yamaguchi] Really?

[Yamasaki] I think that will take about 10 years. And then the party will split on the issue of the Constitution.

[Yamaguchi] What are the prospects of a public election of the prime minister? It seems that you have been studying the issue.

[Yamasaki] It will also take 10 years before a public election of the prime minister materializes.

[Yamaguchi] Ten years?

[Yamasaki] It will not be easy. Especially after the Aoshima-Yokoyama question puts a damper on this issue. After all, we cannot expect a government to exceed the standards set by the people themselves. If I may say so, the political awareness of the citizenry, at present, will jeopardize our idea of a public election of the prime minister.

[Yamaguchi] What is your outlook regarding the post-Murayama situation?

[Yamasaki] I think it depends on when he steps down.

[Yamaguchi] What will happen if he steps down after the upper house election?

[Yamasaki] If he resigns right after the election, it is highly possible that Mr. Kono will take over.

[Yamaguchi] I suppose.

[Yamasaki] However, if it happens after September, whoever is elected LDP president will likely become the next prime minister. It could be Mr. Kono or someone else.

[Yamaguchi] That means there will be much trouble during the presidential election in September. Right?

[Yamasaki] Based on our new rules regarding the presidential election, there will definitely be an election. It takes two candidates to hold an election, and I anticipate about three will run for the presidency. This is only my hunch.

[Yamaguchi] I often hear that your YKK group is pro-Kono. Is this correct?

[Yamasaki] We are completely noncommittal.

[Yamaguchi] Really?

[Yamasaki] We would like to make our position clear in August. Since we do not decide matters on our own, we would like to discuss this with our group—the "Group New Century"—before drawing a conclusion.

[Yamaguchi] Do you have a personal view on President Kono?

[Yamasaki] Well, I think he is doing a flawless job.

[Yamaguchi] The way it looks, the political situation will remain turbulent for some time. Right?

[Yamasaki] It will be somewhat turbulent for a few years.

Diet May Be Dissolved in September, But Most Likely Next May; Auto Talks Will Not Affect Political Situation

[Yamaguchi] Although it depends on how long the Murayama administration lasts, when do you think the Diet will be dissolved?

[Yamasaki] I have held the view that it will be around next May, and I have not changed my opinion.

[Yamaguchi] Will there be an extraordinary Diet session in the fall?

[Yamasaki] It is possible, and it is up to the prime minister. If the prime minister weathers the upper house election, and feels well mentally and physically, he will be able to deal with the situation till next May. But if he encounters misfortunes, he may very well dissolve the Diet this fall.

[Yamaguchi] What do you think is the major political task that lies ahead?

[Yamasaki] Diplomatically, it is simply the normalization of relations with North Korea. Domestically, it is to push forward deregulation and decentralization, I believe.

[Yamaguchi] They appear to be difficult.

[Yamasaki] But if we do not take care of these things now, our nation will not stay together. I believe Japan-U.S. relations will become further strained.

[Yamaguchi] I feel that the U.S. has begun to demonstrate a somewhat resilient posture on the auto talks. Will this affect our political situation?

[Yamasaki] Not particularly. The auto problem was just one of Japanese-U.S. problems, and it is all right the way it was settled. However, the question of Japanese-U.S. relations, as a whole, goes beyond an individual problem like the auto issue; it is the responsibility of the administration.

We need to deal with the whole problem of Japanese-U.S. relations, and to thoroughly discuss how to get rid of the trade imbalance. Since we still have not taken steps to deal with the problem, we have to discuss this issue when we work on the major budget bill, during the extraordinary Diet session in the fall. Also, we should discuss it among three parties in power, so as to come up with definite ideas.

Need For Drastically Expanding Domestic Consumption; Faction Must Have Its Own Presidential Candidate

[Yamaguchi] Since the World Trade Organization [WTO] has only recently been established, we do not know how much we can expect from it.

[Yamasaki] By solely depending on the WTO, we will be looking closely to see if that organization functions well. But the most important thing for Japan is to see what we can do ourselves and to implement major domestic consumption.

For instance, we should demand that the United States balance its investments and savings, or reduce its deficit. For Japan, the expansion of domestic consumption sounds like an everlasting task, but we need to do it along with deregulation and decentralization. We need to clearly allocate 630 trillion yen nationwide to give hope and vitality to our citizens.

[Yamaguchi] By the way, I feel that the LDP nowadays has weakened its factional ties, and at the same time, it has formed all sorts of study groups. I believe it is good to have various study groups, but as the chairman of Diet policy, what do you think of this?

[Yamasaki] I guess it is good. I think it is good to have many cross-factional groups. However, unless the leader of each group can become a presidential candidate, then it is only a pure study group. However, if the group can come up with a leader, who can become a candidate, then the group can be considered a new faction.

[Yamaguchi] Then where does the "Group New Century" stand?

[Yamasaki] This is a new, healthy group led by three of us. (laughter)

[Yamaguchi] But some people view your group as a new faction.

[Yamasaki] If we have only one leader, you may call us that. But since we have three, as the saying goes: "out of the counsel of three, comes wisdom."

[Yamaguchi] That is right.

[Yamasaki] Someday we will have to compete with each other.

[Yamaguchi] Of course.

[Yamasaki] This is why I do not think we will become a faction. We are not a group to promote one of us for the presidency. We got together initially to rebuild the LDP, not to aim for political power. This is the difference between our group and a faction.

[Yamaguchi] But there were factions that did not aim for political power....

[Yamasaki] That happens when a group loses its essential quality and spirit.

**Need to Clarify Targets of Public Investment;
Large-Scale Projects According to Blocks Desired**

[Yamaguchi] How about giving us your view on economic measures?

[Yamasaki] As I mentioned before, we should clarify the targets of public investment. It is good that we inflated the budget from 430 trillion yen to 630 trillion yen. However, the figures given are very ambiguous and do not positively affect the nation's economy. In other words, these targets have not caused excitement among our citizens. The budget figures need to be more specific. For instance, the budget for Kyushu should be allocated to such projects as the new Kyushu international airport. There should be a big project for each economic bloc. Moreover, these projects should be readily accessible, not just rosy distant visions of the future.

In any event, efforts should be made to raise stock prices. Unless stock prices go up, consumer economy will not look good.

[Yamaguchi] But there is nothing much in our current situation that can boost stock prices.

[Yamasaki] That is why we should propose large-scale projects. Unless people get in the mood for a strong economy, it will not work. It is a question of the "mind." The government should encourage people by offering bright, large projects, thus building up their confidence.

[Yamaguchi] But the Ministry of Finance may not go along with this policy.

[Yamasaki] We need to severely criticize the Ministry of Finance. Up to now, everyone has been trying too hard to be friendly with the Ministry of Finance, but now, many want to fight against it. In my group, Koichi Kato quarrels with the Ministry of Finance, while Junichiro Koizumi maintains a close relationship with it. Because I am neutral, I haven't decided which side I should join. (laughter)

[Yamaguchi] Will your group split then on this issue?

[Yamasaki] No, we won't. We are keeping a balanced position. (laughter)

[Yamaguchi] I see. People will be paying more attention to what you do from now on.

[Yamasaki] Well, as long as we have the support of the young Diet members, we will remain strong, but we will lose this strength once we betray their expectations.

[Yamaguchi] That keeps you busy everyday, doesn't it? Thank you very much for this interview.

Asao Yamaguchi, interviewer. Born in Shizuoka Prefecture in 1932. After graduating from Waseda University, where he majored in literature, he joined the former Tokyo Times and worked as the political section chief, and head of the editorial staff. Currently he is a political commentator. Publications include "The Collapse of the Hosokawa Coalition government," "Documentary—Japan's Crises Management."

Soka Gakkai Head on Political Strategy

OW1109051795 Tokyo AERA in Japanese 28 Aug 95 pp 20-23

[Interview with Einosuke Akiya, president of Soka Gakkai, by AERA chief editor Sanee Hirukawa; place and date not given]

[FBIS Translated Text] [Hirukawa] What is Soka Gakkai's impression after actually conducting the last Upper House election?

[Akiya] Quite a few members of Soka Gakkai unburdened themselves: "Why are we for the New Frontier Party?" At first, there were a number of reactions at the localities. Some promised to give support to the New Frontier Party, being convinced of our reasoning; others said they would support only Komeito [Clean Government Party]. After actually conducting the election, however, we had a telling response that those members who had been asked to give support to the New Frontier Party did so with so little fuss.

[Hirukawa] How did you deal with the case in which candidates of the New Frontier Party other than former Komeito candidates were to be recommended?

[Akiya] The matter was examined at each prefectural council. The majority of the councils was for the New Frontier Party; some were for other candidates other than Komeito's; and some 11 prefectural councils conducted voluntary voting.

[Hirukawa] What caused voluntary voting at those councils?

[Akiya] They have had contacts with members of the Liberal Democratic Party [LDP] through past elections. Although the New Frontier Party suddenly appeared, they had no reason to support it. Therefore it was natural for them to conduct the elections as in the past.

[Hirukawa] What kind of role does Honorary President Daisaku Ikeda of Soka Gakkai play in elections?

[Akiya] Honorary President Ikeda gives various forms of encouragement, such as presenting poems centering on the teaching of faith. The actual promotion of activities, however, is being done by me with the help of others.

[Hirukawa] There is a criticism that the New Frontier Party is Soka Gakkai's party. There is some truth in it, is there not?

[Akiya] The votes that were cast in the last election show that they came not only from Soka Gakkai, but also from Yuai Kaigi [as published] and supporters' associations of former conservatives. I think the synergism of these three organizations brought a good result. Soka Gakkai was not the only organization that took an active part in the election.

There are some people who stir up the nation by making up a story that the remarkable advance of the New Frontier Party in the last election is that of Soka Gakkai after all and that Soka Gakkai, assuming power, will impose its will, including its religion, on the nation. Some people are concerned about the fact, but I think their fears are utterly groundless. We have not the slightest intention of doing something by antagonizing the LDP. It is unreasonable to show enmity toward a supporters' organization just because it has supported a particular political party. Some people in the LDP do show such enmity, but not all.

[Hirukawa] However, there is an opinion that the cabinet reshuffle of the Murayama coalition government this time is an anti-Soka Gakkai ploy adopted by the LDP.

[Akiya] It seems that all the Murayama coalition government can do is to try to cling to power. It is doubtful whether the cabinet can conduct the politics that the nation really desires. It is not proper for politicians to regard a supporters' organization with enmity just because they lost an election. The government should not interfere in religious organizations.

Voluntary Voting Is Preferable in Some Cases

[Hirukawa] By the way, the highest executive council of Soka Gakkai was held at Karuizawa from late July to early August. What did the council say about the last Upper House election?

[Akiya] This was the first election of this kind, so we discussed the matter by bringing information on the results of the assistance we gave in various quarters. When I heard the reports, I thought politics would become very difficult in the future.

[Hirukawa] What was the difficulty?

[Akiya] There are many opinions among our members. They gave assistance according to the decision made in their own way. However, I think the age of diversification will progress henceforth.

[Hirukawa] I think it is undesirable for your organization if voluntary voting increases due to individual circumstances in the next general election.

[Akiya] I do not think so. In the past we were completely divided in half in Amami, which is a single seat constituency. Under those circumstances, voluntary voting would be preferable. I think a judgment will be formed that it is troublesome if an unpleasant feeling is left among Soka Gakkai members because of the complications of politics.

[Hirukawa] In the first place, to what degree are Soka Gakkai members guaranteed the freedom of supporting a particular political party? Can members run for election under the LDP banner or the Japan Communist Party banner?

[Akiya] From of old there have been Soka Gakkai members in local assemblies who run under the LDP banner, although their number is not so great. I think there are our believers in each political party. I think it is all very well for Soka Gakkai members to run for election under the banners of other political parties. However, we do not allow them to conduct an election campaign in our organization, because that will disturb our organization.

[Hirukawa] The reason you support the New Frontier Party is that you think highly of the political reforms advocated by it. Am I right?

[Akiya] The greatest reason is that we have attached importance to the historical process in which the Komeito we have long supported has joined the New Frontier Party, believing that it can agree with the New Frontier Party ideologically. When we stated last November that we would support the New Frontier Party for the present, one of our judgments was based on political reform. From that standpoint, our greatest concern was the quality of politicians. From that we came to the conclusion that the quality of men should be the foundation of everything.

[Hirukawa] When you evaluate men primarily from the standpoint of their quality, do you think there are men of character and insight in the LDP you wish to recommend?

[Akiya] If I state my opinion concretely that will influence...I think the LDP has men of high caliber in its own way.

Soka Gakkai Is Fair to Candidates Other Than Their Own, Too

[Hirukawa] How about Ichiro Ozawa, secretary general of the New Frontier Party?

[Akiya] I think he is an influential man as a politician. If he really intends to consolidate his party, I hope he will do that completely without going halfway. The most important work for the New Frontier Party to do is to consolidate itself in harmony with each other. Unless he accomplishes that, he cannot be called a true leader.

[Hirukawa] Soka Gakkai greatly differs from other religious organizations in that it has its own candidates for election. You support your own candidates with great enthusiasm. Are you going to continue that practice?

[Akiya] I think that is an interim measure. In the future the choice of candidates will be made primarily on the basis of their quality. Even if a candidate runs for election under Komeito's banner, he will be naturally eliminated in the process of elections, depending upon his quality as a man.

[Hirukawa] Are you going to stick to your practice of running your own candidates?

[Akiya] No, we do not intend to stick to that practice very strongly. If a man is good, we will support him. In the past our candidates were the executives of our organization with whom we had worked together. Now we support men who have a bright futures as politicians, and such men have no close relationship with our organization. Our candidates are increasingly losing their family-like relationship with our organization. In the future such a relationship will further weaken.

Fixation of Support Is Impossible

[Hirukawa] It is very difficult to support a particular political party in such an age, is it not? In addition, the composition of political parties may change. Is it possible that you will not support the New Frontier Party in the next general election?

[Akiya] We have decided to support the New Frontier Party in the Lower and Upper House elections for the present. After those elections, we will discuss the question according to the circumstances at that time and then make a decision. I do not know whether all the existing parties will be grouped into two parties — the LDP and the New Frontier Party. Even if two big political parties come into existence, both of them will have a wide range of policies. That will make a clear division of the two political parties impossible. I do not think we can support one of the two big political parties in a fixed manner.

[Hirukawa] Is there a possibility that former Komeito members will leave the New Frontier Party after the next general election?

[Akiya] It is up to them to decide what to do. We cannot tell them what to do.

[Hirukawa] I have a feeling that Soka Gakkai's stance toward politics has changed, compared with when Komeito was formed. Once you tried to directly change politics with your own hands. Is it not a great change for Komeito to have joined a new political party and worked with others? I do not know what made Komeito act as it did — is it because the influence of Komeito increased or is it because Komeito wanted to take a new political step?

[Akiya] I do not think there is a fundamental change in our political stance. At the time when the Komei Political League was formed, the situation was such that politics was considerably isolated from the general public. The joining of Komeito with the New Frontier Party was inevitable because of a change in the political situation and the election system. We are as always aiming at politics for the public.

The Starting Point of the Soka Gakkai Is Resistance to Power

[Hirukawa] When the New Frontier Party assumes power, Soka Gakkai will change from the side that takes up the wishes of the people to the one that exercises power, will it not?

[Akiya] That is the problem of the political party, not the problem of our side that supports it. From the standpoint of the religious organization, we want freedom of religion — one of the fundamental human rights — observed rigorously. We do not need to exercise power at all.

[Hirukawa] Do you think it is good to apply the ethical view or the moral view of religion to the political world to some extent?

[Akiya] I think an individual should have all those views within himself or herself. We should not impose a frame of ethics on politics as a whole. An important thing is for each human being to have a fundamental value judgment that cries for respect for mankind and life.

[Hirukawa] In Japan there is a problem of balance between the self-examination that State Shintoism with a strong religious coloring had been reflected in politics and the fact that a moral view as an individual is necessary for an individual politician. What do you think of that balance?

[Akiya] After all, the question is what power is. Politics had always tried to take in religion and subjugate it and had oppressed it when it disobeyed. Such had been the relationship between politics and religion. By the same token, all the religions that opposed the military dictatorship were oppressed during the war. In the midst of all this, first president Tsunesaburo Makiguchi, who had resisted to the last, died in prison. And second president Toda was imprisoned for two years. This is the starting point of Soka Gakkai.

The power holders had always ruled over the people as in the days of feudalism, and the mass of the people had always been placed in conditions similar to slavery. This is not an ideal state for human beings. The purpose of authority is to have regard for each individual, which, I think, is the principle of democracy. In Japan, however, people still think that dietmen are great entities who reign over the people. This has caused an illusion that religion is going to get on the power structure of those great dietmen. This itself is the conception of power holders, is it not?

Religion Should Be Underground Water

[Hirukawa] Are there not any Soka Gakkai members who claim that politics should have more religious coloring as in foreign countries?

[Akiya] There is no need for politics to have religious coloring. I think religion should be like underground water. There is no need for religion to come to the surface. Religion enriches the heart of man just as underground water enriches soil.

[Hirukawa] Can we say that Soka Gakkai, a religious organization with an intolerant element, has changed in quality by entering the political world that necessitates compromise?

[Akiya] Of course, no religion compromises with its religious creeds. At the beginning our organization was small, and it is true that we were fervent. Compared with those days and seen from the outside, it may look as if we have indeed changed somewhat, because our sphere of activity has widened not only in the political field, but also in the cultural, educational, and social fields. Please say that Soka Gakkai has grown, instead of saying that it has changed in quality.

Toyota Motor To Produce Pickup Trucks in U.S.

*OW1109122795 Tokyo KYODO in English
1152 GMT 11 Sep 95*

[FBIS Transcribed Text] Nagoya, Sept. 11 KYODO — Japan's top automaker Toyota Motor Corp. will produce medium-size pickup trucks in a new factory to be built

in North America, company officials said Monday [11 September].

The officials said production is to begin in late 1998 or early 1999 with an annual volume of 100,000 units.

The automaker announced plans to build a new factory in North America in a program unveiled during recent auto and auto parts trade negotiations between Japan and the United States.

The location of the new factory has not been decided yet, but Cincinnati, Ohio, is high on the list, industry sources said.

The officials said the factory will produce the T100 model designed exclusively for export to the U.S. and built by Toyota's affiliate Hino Motors Ltd. under a consignment contract.

The company exported about 22,000 T100s in the first seven months of this year.

The officials said production in the U.S. is aimed at avoiding a 25 percent import tariff imposed by the U.S. Government as well as easing foreign-exchange risks in the future.

Meanwhile, the officials said the company plans to reorganize its production support subsidiary, Toyota Motor Corporate Services of North America Inc., in line with an expected increase in purchases from local suppliers.

North Korea

Spokesman Advocates Peace System With U.S.

*SK0909102995 Pyongyang Radio Pyongyang
in Korean to South Korea 0708 GMT 7 Sep 95*

[Statement by DPRK Foreign Ministry spokesman issued on 7 September — read by announcer]

[FBIS Translated Text] On 7 September the spokesman for the DPRK Foreign Ministry issued the following statement on the lapse of 50 years since the U.S. Forces militarily occupied South Korea on 8 September 1945.

The statement issued by the DPRK Foreign Ministry spokesman:

This year's 8th of September marks the lapse of 50 years since the U.S. Forces occupied South Korea. In the wake of the U.S. Forces' occupation of South Korea, Korea has been divided in two and our people have had to experience the agony of division and suffer the ravages of war. The vestiges of the Cold War still linger on the Korean Peninsula.

The United States should have withdrawn its forces long ago in accordance with several principles to resolve the Korean issues that were discussed during World War II and resolution 3390-B adopted at the 30th Meeting of the UN General Assembly. Worse yet, the United States has continuously strained the situation by building up its military forces on a large-scale in South Korea and bringing in nuclear weapons and modern military equipment.

Even though the Cold War has ended and the world is moving toward peace and detente, the DPRK and the United States stand in political and military confrontation with each other and the situation has yet to be eased even now when the DPRK-U.S. framework agreement has been adopted. The main reason behind this is the U.S. Forces' continued occupation of South Korea.

The U.S. Forces, which have occupied South Korea for 50 years, have inflicted an unbearable national insult and humiliation and priceless sacrifices on the South Korean people. Nonetheless, the South Korean authorities have provided \$3 billion of the expenses for the U.S. Forces' upkeep every year, begging for perpetual occupation by the U.S. forces. The U.S. authorities are now stating that they will not withdraw the U.S. forces from South Korea as long as the South Korean authorities wish.

The only ones who desire the U.S. Forces' occupation of South Korea are a few traitors in South Korea. An absolute majority of the South Korean people call for the immediate withdrawal of the U.S. Forces.

It is unjustifiable for the United States to insist it will leave its forces behind in South Korea just because some people in South Korea are begging for it. What should be settled before anything else at the present stage to preserve peace and security and promote reunification on the Korean peninsula is the withdrawal of U.S. Forces from South Korea and the establishment of a new peace system.

Speaking of the issue of guaranteeing comprehensive peace on the Korean peninsula, there are problems that need to be settled between the North and South, and between the DPRK and the United States, as we have already stated.

Attaching primary importance to the establishment of a peace guaranteeing system between the North and the South, we adopted the Agreement on Reconciliation, Nonaggression, Cooperation, and Exchange Between the North and South in December 1991, thus preparing an institutional mechanism guaranteeing nonaggression between the North and South.

The articles on nonaggression in the agreement include non-use of armed forces, peaceful resolution of disputes,

formation of the North-South Joint Military Commission, and some other matters. The agreement also clarifies the mission of the North-South Joint Military Commission for building military confidence and realizing disarmament. Therefore, putting the already-arranged peace guarantee system into motion is all that the North and South need do. What is left to be done now is the setting up of a new peace system with the United States, which is keeping its forces in South Korea and is mainly responsible for guaranteeing peace on the Korean Peninsula.

The establishment of a peace system between the DPRK and the United States is a matter of replacing the armistice mechanism with a peace system.

If a legal and institutional system for ensuring peace is established between the DPRK and the United States, which holds operational control of the Army in South Korea, the situation on the Korean peninsula will be greatly relaxed and implementation of the North-South agreement will make progress. This will also decisively affect a fundamental improvement of the situation in Northeast Asia and the Pacific region.

The United States must respond to the establishment of a peace system to liquidate the relics of the Cold War on the Korean Peninsula.

Daily on 'Military Tie-Up' Between Japan, U.S.

SK1109100995 Pyongyang KCNA in English
1003 GMT 11 Sep 95

["NODONG SINMUN on Military Tie-Up Between U.S. and Japan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — NODONG SINMUN today comments on the U.S.-Japan "security treaty," a legacy of the era of the Cold War.

It was stressed at the recent talks between the U.S. defense secretary and the director of the Japan Defense Agency in Honolulu, Hawaii, that the U.S.-Japan "security treaty" is of great importance to the two countries and the Asia-Pacific region as well. It is reportedly said that the heads of the U.S. and Japan will release a joint statement aimed at fixing the importance of the "security treaty" between the two countries.

It is not without a purpose sought by them that the U.S. and Japan are trying to further increase "security system" based on the "security treaty" even today when the Cold War is terminated and the alleged "threat" from the former Soviet Union vanished, the analyst says, and continues:

A purpose sought by the U.S. in strengthening the U.S.-Japan "security system" is to make an effective use of Japan in a bid to realise its long-term Asia strategy. The ulterior intention of the United States is to keep hold on Japan, an economic power with powerful military strength.

Japan, a country which is watching for a chance to take revenge and get the supremacy over the Asia-Pacific region, can grow in strength enough to challenge the U.S. any time.

That is why the United States intends to reestablish the U.S.-Japan "security system", keep Japan from becoming a military power and place the latter under its control.

Through the reestablishment of the Japan-U.S. "security system", however, Japan attempts to gratify its ulterior intention. It is to further strengthen its position and role within the framework of the Japan-U.S. "security treaty" and, furthermore, push ahead with collective "security dialog" with Asian countries and deter the U.S. this is directly linked with its wild ambition for domination over Asia.

The DPRK is the main target of attack pursued by the U.S. and Japan through the tightened military tieup. That is why, the United States recently urged Japan to promptly adjust the system of assistance in the "event of contingency" on the Korean peninsula.

It is an anachronistic pipe-dream for the United States and Japan to work hand in glove with each other and realise their dominationist design by strength.

UN Teams Depart After Viewing Flood Damage

*SK0909142595 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Sep 95*

[FBIS Translated Text] Fact-finding teams dispatched from the World Food Program, the UN Food and Agriculture Organization, the UN Children's Fund, and the UN Department of Humanitarian Affairs to our country to inspect flood damage left Pyongyang today by plane. The fact-finding groups were seen off by the functionaries concerned.

During their stay, the fact-finding groups inspected flood-stricken areas and discussed the issue of cooperation for these areas with functionaries of the relevant sector.

Group Departs for LWR Talks in Malaysia

*SK0909133995 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 9 Sep 95*

[FBIS Translated Text] A working-level DPRK delegation left Pyongyang today by plane to participate in the negotiations slated to be held in Kuala Lumpur, the capital of Malaysia, for the conclusion of an agreement [LWR] between the DPRK and the Korean Peninsula Energy Development Organization, led by the United States, on the provision of light water reactors [LWR].

In the upcoming talks beginning 11 September, the two sides will hold discussions on the signing of the agreement on the provision of LWR's in conformity with the agreed-upon DPRK-U.S. framework dated 21 October 1994 and the DPRK-U.S. joint press statement signed on 13 June 1995.

Daily Denounces South Espionage Arrests

*SK1009095995 Pyongyang KCNA in English
0835 GMT 10 Sep 95*

["Clumsy Drama" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — Papers here today comment on the announcement of the South Korean puppet clique that they arrested 13 "members of the Workers' Party of Korea in South Korea", who allegedly offered "intelligence materials" to the North from March to June 1992.

NODONG SINMUN in a signed commentary says:

The "case of the arrest of members of the Workers' Party of Korea in South Korea" is a wholly false fabrication with no truth and validity and a deceptive drama invented by the "Agency for National Security Planning" in its back room.

Though there is an organisation which is called "The Workers' Party of Korea in South Korea," we know no such organisation and have nothing to do with it. The puppets' linking such organisation with us cannot be construed otherwise than a smear attempt to impair our patriotic and pro-reunification stand and efforts and cover up their anti-national, anti-reunification colours.

The Kim Yong-sam group's fabrication and announcement of another dirty anti-DPRK smear case was motivated by their serious political crisis. The Kim Yong-sam group are now isolated and rejected within and without for its indelible crimes against history and the nation and, worse still, faced with a hopeless, serious ruling crisis owing to the repeated failure of the internal and external policies and the great defeat in the "local autonomous system elections".

The puppets are intending to find a way out of the deepening ruling crisis in diverting elsewhere the attention of the people and, furthermore, deliberately worsening North-South relations with "shocking remedy" of smear cases.

The Kim Yong-sam fascist clique must give up the foolish dream to fabricate a clumsy false drama and use it as a means to maintain the "regime", and promptly set free all the people who were arrested on charge of the fictitious "case".

A commentary of MINJU CHOSON says the "civilian" fascist ruling quarters must renounce at once the anti-communist smear campaign against the DPRK.

South Arrest Denounced as 'Fabricated Incident'

*SK1109023395 Pyongyang Korean Central
Broadcasting Network in Korean
0854 GMT 10 Sep 95*

[NODONG SINMUN 10 September commentary:
"Clumsily Fabricated Self-Made, Self-Staged Drama"]

[FBIS Translated Text] Anti-Republic scheming maneuvers to further aggravate North-South relations and to strengthen fascist oppression toward the people a step further, have been viciously committed in South Korea recently.

The South Korean puppet clique announced that they arrested 13 members of the so-called South Korean Workers Party of Korea and are babbling that they allegedly offered intelligence materials to the North from March to June 1992. This is one of such maneuvers.

As was the case of all prior incidents, the incident involving the arrest of the members of the South Korean Workers Party of Korea put forth by the South Korean puppets, is an entire fabrication with no truth or validity, and a deceptive self-made drama invented by the Agency for National Security Planning in its back room.

As being babbled by the South Korean puppets, even though there is an organization which is called the South Korean Workers Party of Korea, we do not know of such an organization and have nothing to do with it.

For the puppets to unreasonably link such an organization which we do not know about and have no relations with, can only be viewed as a scheming attempt to cover up their antinational and antireunification color of slandering our patriotic and reunification-oriented position and efforts and running amok in the antireunification confrontation, splittist, and war maneuvers.

The puppets are babbling about some kind of intelligence material provided to the North by those arrested,

to provide reliability in the fabricated incident. Such material can be made in the back room of an intelligence scheming organization as much as they like. No sympathy can be won from anyone.

The Kim Yong-sam ring's fabrication and announcement of another dirty anti-Republic scheming incident is related to their serious political crisis. The Kim Yong-sam ring is now being isolated and rejected within and without for its indelible crimes committed before history and the nation and, worse still, it is faced with a hopeless, serious ruling crisis owing to the repeated failure of the internal and external policies; the great defeat in the local autonomous system elections; deepening of confusion and discord within the ruling class due to the great defeat; stagnation and downfall in social and economic life; and prevalent social vice and continuous large-scale accidents.

Whenever they are faced with a political crisis, they fabricate a scheming incident to turn the people's attention elsewhere. This is a conventional method used by the South Korean puppets.

The puppets are trying to find a way out of the deepening ruling crisis by fabricating scheming incidents; turning the people's attention elsewhere through shock treatment; and moreover by intentionally aggravating North-South relations. However, even though the puppets stage such anti-Republic scheming drama, the truth cannot be hidden and cannot free themselves from the responsibility of the crimes they are committing.

Reconciliation and cooperation between the North and South and the country's peace and reunification are the whole nation's long cherished desire and a request of the nation's history. The puppets cannot prevent the trend of the times and the nation's vigorous grand march for reunification which are progressing along the tracks of developing the nation's history, with any kind of maneuver.

The Kim Yong-sam fascist clique must give up the foolish dream of fabricating a clumsy false drama and use it as a means to maintain the regime, and immediately release all the people who were arrested on charge of the fictitious incident.

If the puppets consistently cling to the anti-Republic scheming commotion and try to find a way to live by promoting antagonism, confrontation, and division regardless of our repeated warnings, they will not be able to escape from the nation's strict judgment.

Daily Views South Involvement in Armistice Pact*SK1109103795 Pyongyang KCNA in English
1027 GMT 11 Sep 95*

["S. Korea Has No Qualifications To Meddle in Setting Up New Peace-Keeping Mechanism" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The traitor Kim Yong-sam in an address to celebrate August 15 said that "parties concerned to set up a peace-keeping mechanism are the South and North" and "the South and North should take together steps to implement the Armistice Agreement and set up the mechanism." Echoing his voice, the puppet minister of the "unification board" said that a question of setting up a peace-keeping system on the Korean peninsula should be "solved between the South and North, the parties concerned".

NODONG SINMUN in a signed article today views such utterances of the South Korean puppets as a rash, high-handed act.

It is stipulated in the Korean Armistice Agreement that the document was signed by our side, on the one hand, and by the "UN forces," on the other hand, and that it is pertaining "solely to the belligerents in Korea," the paper says, and goes on.

The South Korean puppet army is not the "UN forces", nor one of the signatories to the Armistice Agreement.

From the historic point of view, the South Korean puppets set themselves against the conclusion of the Armistice Agreement itself.

It is nobody's secret that when the U.S. signed the Armistice Agreement on behalf of the "UN forces" side, the puppets were engaged in a "drive to oppose the armistice" saying that they would continue "march northward" though the "UN forces" agreed at the armistice. South Korea is not a signatory to the Korean Armistice Agreement. It set itself against the conclusion of the Armistice Agreement. Worse still, it has no prerogative of supreme command. It is, therefore, the height of impudence for South Korea to try to meddle in the establishment of peace-keeping system.

The South Korean puppets are spreading a rumour that since the United States signed the Armistice Agreement on behalf of the United Nations it is not a party concerned, but they are a "party concerned" in concluding a peace agreement under the North-South agreement.

The "UN forces", a signatory to the Korean Armistice Agreement, are an invention designed by the United States by usurping the name of the United Nations to justify the Korean war which was unleashed by it.

As for the UN Security Council resolution adopted on July 7, 1950, on which the United States has insisted as a legal basis for the building of the "UN forces" present in South Korea till now, it was not a decision to organise the "UN forces", but a recommendation "for a unified command under the U.S. control to use assistance offered by the UN member countries."

The United Nations has not placed the "UN forces" present in South Korea under its control, nor empowered them to preserve peace in this region. The "UN command" present in South Korea is just the "command of the U.S. forces" and the "UN forces" are none other than the U.S. forces.

The South Korean authorities confirmed non-aggression in the North-South agreement, but they are trying to meddle in the question of setting up a peace-keeping mechanism, an affair to be solved between the DPRK and the U.S. their attempt cannot be construed otherwise than an intention to declare the North-South agreement null and void and renounce it.

What should be done by the South Korean authorities is to work sincerely to realise disarmament, defuse tensions and make the Korean peninsula a nuclear-free, peace zone in the spirit of the North-South agreement.

The puppets would be well advised to stop the rash, high-handed act.

Delegate Gives Speech at World Conference*SK0809152695 Pyongyang KCNA in English
1518 GMT 8 Sep 95*

["DPRK Delegate's Speech at World Conference on Women" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 8 (KCNA) — Yun Ki-chong, head of the delegation of the Democratic People's Republic of Korea, made a speech at the on-going Fourth World Conference on Women in China on September 6.

Yun referred to a series of matters necessary for promoting women's equality, development and peace.

"In Korea the women's problem was successfully solved under the wise guidance of the great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il," she said, and continued:

"The Korean Democratic Women's Union was formed in November, 1945 just after the liberation of the country and law on sex equality was proclaimed in July, 1946. From then the Korean women set on the road of building a new life, freeing themselves from the centuries-old darkness and the feudal yoke.

"In the DPRK women play a big role in all fields of political, economic, cultural and other social life with rights equal to men's.

"They are elected deputies to the Supreme People's Assembly and to power organs at all levels to take an active part in state activities and socio-political life. A large number of women have grown to be good socio-political activists, competent economic management officials, and scientists, educationists, doctors, artistes and sportswomen loved and respected by the masses, displaying their wisdom and talent to the full.

"They are also playing an important role in achieving harmony of family and social unity.

"We will consolidate and continuously develop the achievements made in solving the women's problem, rallied as one in mind around the great leader Comrade Kim Chong-il, and make an active contribution to the common cause of women's equality, development and peace on a worldwide scale."

Yun Ki-chong mentioned the difficulties facing the women's problem on a worldwide scale, and the way for overcoming them.

"Each country should take a practical state measure to create legal and institutional guarantee for the social emancipation of women and help them actively participate in different domains of social life," she said.

"International efforts," she held, "should be made before other things to remove poverty, unemployment, diseases and illiteracy as soon as possible, which are endangering the existence of human beings and posing a big obstacle to the settlement of the women's problem."

She also said that an effective countermeasure should immediately be taken to put an end to armed conflicts, disputes, arms race and violation of women.

"In particular," she said, "we can not but express deep concern and disappointment at the fact that the comfort women for the army issue, the crime committed by Japan in the past, has remained without a proper settlement even though 50 years passed after the end of the war."

She said:

"The 'comfort women for the army' issue is not a matter for the ordinary people of Japan to deal with. To solve this matter the Japanese Government should make a state compensation because it was an encroachment upon human rights by the then government.

"The Japanese Government must renounce the anachronistic intention to cheat the world public with a nominal apology and some money. It must admit the crimes and

apologize for them with a sincere attitude. And it must open to the public all the truth behind the crime, punish those responsible for it and make a state compensation to all the victims including those who stay alive."

Chongnyon To Strengthen Patriotism

*SK0909054495 Pyongyang Korean Central
Broadcasting Network in Korean 0848 GMT 8 Sep 95*

[Speech by O Hyong-chin, vice chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, Chongnyon, and head of the congratulation delegation of Koreans residing in Japan, at the central report meeting marking the 47th founding anniversary of the DPRK held at the 8 February House of Culture in Pyongyang — live]

[FBIS Translated Excerpt] Fellow countrymen in the fatherland:

Today, we are marking the 47th national day of the DPRK, the chuche-based socialist fatherland, with great national pride and self-confidence. The founding of the Republic was a historic event announcing the birth of the first independent country in the colonial East, as well as a national festival that opened the era of the glorious chuche-based Korea. [applause]

With the founding of the Republic, our people ended the long history of suffering and unfolded a new era of prosperity; overseas Koreans found a light tower of hope and an eternal protector to whom they can follow and entrust their destiny. We felt the greatness and preciousness of the fatherland deep in our hearts more than anyone else. We are now overwhelmed with boundless admiration and gratitude toward Generalissimo Kim Il-song, the founder of the Republic and the socialist Korea and the great father of the nation. [applause] [passage omitted]

The great leader [yongdoja] General Kim Chong-il understood the unanimous desire of our people and overseas Koreans to uphold Generalissimo Kim Il-song, the sun of the nation, as an eternal leader [suryong] for thousands of ages and to complete the chuche revolutionary cause. He designated the Kumsusan Memorial Palace as the supreme sacred area for us to uphold the fatherly leader in immortality. [applause] [passage omitted]

Recently, a natural disaster swept various places in the world. Even though the flood took many lives, South Korea, which is linked with the North by a mountain range, and other countries regarded it beyond control. Only the socialist fatherland mobilized all forces, including the Army, under the wise leadership of the respected and beloved general, so that not a single death

resulted but new lives were born, increasing the population. Upon hearing the legendary news, Koreans residing in Japan were deeply moved by the general's people-loving politics and benevolent politics. [applause]

The great general, who firmly defends and glorifies the *chuche*-based socialist fatherland and people's happiness, is indeed today's synonym of the immortal Generalissimo Kim Il-song. [applause] [passage omitted]

We will hold higher the banner of the *chuche* idea, Chongnyon's [General Association of Korean Residents in Japan] guiding ideology and the ideology of patriotism, thoroughly embody the ideology in the movement of Koreans residing in Japan, and strengthen and develop Chongnyon, which is the equivalent to the motherly bosom of the fatherland in Japan, as a *chuche*-based patriotic organization forever loyal to the respected and beloved general. [applause]

Chongnyon will make all Koreans residing in Japan genuine patriots and loyalists who have ardent love toward the motherly fatherland, smash all maneuvers of the enemies, and defend the socialist fatherland with life. We will make our unique contributions to the prosperity of our country and fatherland; those who have power will give power, those who have money will give money, and those who have knowledge will give knowledge. We will vigorously carry out a pan-Korean patriotic movement to support the people of the fatherland, who are suffering from the unprecedented flood damage, materially and morally.

We are deeply conscious of the position and role of Chongnyon and Koreans residing in Japan in the struggle for the fatherland reunification. We will brace ourselves up from the guilt of failing to invite the fatherly leader to the plaza of reunification, and will uphold the three principle of the fatherland reunification and the 10-point program of the great unity of the whole nation, expand and develop the struggle to achieve reunification under a confederal state into a pan-Korean mass movement, so as to uphold the respected and beloved general at the rostrum of reunification in the nineties without fail. [applause] [passage omitted]

Kim Chong-il Receives Greetings From Yeltsin

*SK1109120895 Pyongyang Korean Central
Broadcasting Network in Korean
0800 GMT 11 Sep 95*

[FBIS Translated Text] Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, has received a message of greetings from Boris Yeltsin, the president of the Russian Federation, on the 47th anniversary of the founding of the DPRK.

The message of greetings is as follows:

Pyongyang

To Your Excellency Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army:

I extend congratulations to you on the occasion of the 47th anniversary of the DPRK founding, the national holiday of the Korean people.

I am of the firm believe that relations between the Russian Federation and the DPRK, which are based on mutual respect, amity, neighborliness, and reciprocal cooperation, coincide with the interests of the people of our two countries and will contribute to solidifying peace and security on the Korean peninsula and the Asia-Pacific region.

Taking this opportunity, I wish you and the friendly Korean people happiness and well-being.

[Signed] Yeltsin

[Dated] 9 September 1995, Kremlin, Moscow

Pak Song-chol Speaks at Foundation Day Meeting

*SK0809115495 Pyongyang Korean Central
Broadcasting Network in Korean 0803 GMT 8 Sep 95*

["Commemorative report" by Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers Party of Korea and vice president, at a central report meeting marking the 47th anniversary of the founding of the DPRK at the 8 February House of Culture in Pyongyang on 8 September — live]

[FBIS Translated Text] Comrades:

Today we meaningfully greet the 47th anniversary of the founding of the DPRK, our honorable fatherland, at a historic time when the entire party, all the people, and the entire Army are vigorously struggling to enrich and develop our country, our fatherland, and to complete the *chuche* revolutionary cause while firmly united around the great leader [yongdoja].

On this festive national holiday, in the name of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and the government of the Republic, and by the authority of the great leader [yongdoja] Comrade Kim Chong-il, chairman of the DPRK National Defense Committee and supreme commander of the Korean People's Army, I warmly congratulate all people, including our working class, agricultural workers, People's Army officers and men, and intellectuals, who have devotedly struggled to found, strengthen, and develop the Republic. [applause]

I also send warm greetings to the South Korean people who are bravely fighting for social independence, democracy, and the reunification of the fatherland, and to all overseas compatriots who are devoting their patriotic ardor to the prosperity of the socialist fatherland and the independent and peaceful reunification of the country.

At the same time, in the name of the WPK, the government of the Republic, and our people, I warmly welcome foreign comrades and friends who are here with us to celebrate our national holiday. [applause]

Comrades:

All people throughout the country who greet the DPRK founding anniversary on this meaningful year that marks the passage of 50 years since the great leader [suryong] Comrade Kim Il-song liberated the fatherland, are reminiscing with deep emotion about the precious revolutionary achievements and great benevolence of the respected and beloved leader who built in this land the true state of the people and the popular masses-oriented socialism of our own style. They thank him from the bottom of their hearts and feel an irresistible yearning for him.

The history of the founding of our Republic and of its strengthening and development is the history of the triumph of the cause of building a chuche socialist state. All epochal changes and heroic events that occurred in our country in the annals of our proud history powerfully confirm the valuable truth that only people who are led by the great leader can build a great state that most brilliantly realizes the independent ideals of the popular masses and pioneers a bright future along the consistent road of socialism. [applause]

Our glorious fatherland, the DPRK, is the independent and sovereign socialist state of the people, a state built in this land for the first time in our 5,000-year national history by the great leader Comrade Kim Il-song who led to victory our people's struggle for independence, sovereignty, and socialism. [applause]

That a true new state of the people was founded in the land of subjugation and hardship, dominated for many years by feudal oppression and colonial rule by the external imperialists, is a historic fruition provided that was by the outstanding leadership and noble painstaking efforts of the respected and beloved leader Comrade Kim Il-song who was devoted to the protracted and arduous struggle to win national independence and the sovereignty of the working popular masses. [applause]

In the days of the fierce anti-Japanese war during which he led the cause of the country's liberation, the great leader Comrade Kim Il-song embodied the

independent government-building line in conformity with the mission of our revolution and the reality of our country, founded an original form of government, and laid a firm foundation for building an independent and sovereign state of the people in the land of the fatherland.

Thanks to the valuable historical root of building a chuche-oriented government that was achieved in the blaze of the anti-Japanese revolutionary struggle, we were able to found our own style of government of the people in our country despite the complicated and confusing situation following liberation; were able to brilliantly carry out the task of democracy building; and were able to successfully realize the historic cause of founding the DPRK based on this. [applause]

The great leader Comrade Kim Il-song has taught: The founding of the DPRK was a great event which was of historical significance in the development of our revolution and in the life of our people.

The founding of the DPRK by the great leader Comrade Kim Il-song was the brilliant realization of our people's long-cherished desire for building a true state sovereignty of the workers and peasants and a magnificent birth of the chuche Korea. [applause]

As a result of the founding of the Republic, our people have become the dignified masters of the sovereign and independent state, taking over from the tragic sufferers who were deprived of their country by foreign imperialists and who were treated contemptuously. While strongly adhering to their destiny at their own hands, they have come to vigorously accelerate the socialist and communist cause.

Since the founding of the Republic up until today, the latter half of the 20th century was a historic era in which the conflict between socialism and imperialism, and between progressives and reactionaries, was more sharply waged in the world political arena, and in which a harsh trials were laid before the international communist movement.

Raising the banner of the sovereignty of our Republic, firmly adhering to its independent position, and brilliantly pioneering national prosperity and the new socialist history in the flow of the upswing of global trends is a result of the great leader Comrade Kim Il-song's outstanding and seasoned leadership. [applause]

Even during an immature period for two years after the Republic was founded, we were able to defend our national sovereignty by defeating the armed invasion of the imperialist allied forces conducted by the U.S. imperialists. We were also able to victoriously carry out the great cause of the restoration of the fatherland

amongst the ruins in which everything was destroyed by war. This is due to the respected and beloved leader Comrade Kim Il-song's revolutionary leadership. [applause]

The display of the global socialist example by building the most superior popular mass-centered socialism of our own style in this land is the most brilliant historical achievement gained by the great leader Comrade Kim Il-song before the fatherland, the people, the times, and the revolution. [applause]

In the complicated times in which modern revisionists appeared internationally within the ruling party of the working class and began to spoil the socialist cause, the great leader Comrade Kim Il-song creatively elucidated the true road upon which socialism should embark, using his far-sighted wisdom. He also wisely led our people's struggle for socialist revolution and construction. As a result, throughout his entire life he developed our Republic into a socialist state based on independence, self-reliance, and self-defense in which the *chuche* socialist name is brilliantly embodied. [applause]

The respected and beloved leader Comrade Kim Il-song, who constantly strengthened and developed the socialist theory based on the *chuche* idea, strengthened the people's government for the first time in history and presented the general line of socialist and communist construction to vigorously carry out the three revolutions: ideological, technological, and cultural. As a result, he led our party's and people's cause for socialist construction along the single road of victory.

Because the scientific milestone exists for the socialist and communist construction expounded by the great leader [suryong], our Republic has been able to victoriously carry out the revolution and construction since the socialist system was built, not once suffering the slightest deviation and vicissitudes, while having the newly-raised principles for the socialist construction and the most unique guideline in the matter of [word indistinct].

Because of the vigorous and massive struggle to occupy both the ideological and material fortresses of socialist and communist construction under the leadership of the great leader Comrade Kim Il-song, the social, political, and material basis of the Republic has firmly been strengthened, and our country has greatly demonstrated its majestic appearance as a powerful country that evidences the truthfulness and invincibility of the socialist cause all over the world, being unswayable in any anti-socialist storm.

The powerful and prosperous *chuche* socialist fatherland, which made its appearance as the greatest miracle of the 5,000-year history of this land, and which

for a long time lost its colors due to backwardness and poverty, is indeed a crystal of the endless efforts and elbow grease which the respected and beloved leader Comrade Kim Il-song devoted to our people for nearly 70 years, and is a heritage of the eternal value that guarantees the endless prosperity of our nation. [applause]

Today's socialism in our country brilliantly embodies in depth the immortal *chuche* idea created by the great leader Comrade Kim Il-song and the independent and people-oriented state building idea; its superiority is generally expressed by the happiness and worthwhile socialist lives our people enjoy.

Through experience, our people have become deeply aware that our country's socialism is the most superior socialist system under which the working popular masses can enjoy human rights of independence and true lives to their hearts' content as the genuine masters of the state and society. As days go by, they become more deeply aware of the greatness of the benevolence and the achievements of the great leader who prepared this grateful socialist system. [applause]

The respected and beloved leader Comrade Kim Il-song who founded the Republic is the great father of our national foundation and the progenitor of the sacred socialist Korea, the grounds of life and the cradle of happiness for all of us; he is a man who built throughout this land the popular masses-oriented socialism that greatly develops man's independent and creative spirit. [applause]

Without the great leader, we cannot think of today's Korea, nor can we think of the high esteem, honor, and dignity of our nation. Our Republic is able to be great and honorable because it upheld the respected and beloved Comrade Kim Il-song as the leader; our people have been able to enjoy the greatest honor and happiness as the most estimable and dignified people because they had the benevolent bosom of the leader. [applause]

This is why all our people audaciously say that our Republic, the *chuche* socialist fatherland founded and glorified by the great leader Comrade Kim Il-song, is the bosom of the fatherly leader, and why they stoutly advance along the single road of the *chuche* revolutionary cause pioneered by the leader, filled with great dignity and pride as Kim Il-song's people.

The respected and beloved leader's [suryongnim] cause of socialist fatherland building has firmly been succeeded to and has constantly been intensified and developed by the great leader [yongdoja] Kim Chong-il, who has brilliantly embodied the leaders' [suryongnim] ideas and leadership. [applause]

Great Comrade Kim Chong-il presented the program on modeling the entire society after the *chuche* idea as a general duty of our party and the government of the Republic and has wisely led the struggle to implement it in all fields of building the party, the regime, and socialism. As a result, he effected a great upsurge in the revolution and construction and strengthened the might of our Republic in every way. [applause]

The great leader [yongdoja] Comrade Kim Chong-il firmly prepared the party, the command of the revolution, organizationally and ideologically and strengthened the party's leadership role toward the people's regime, thus enabling the regime of the Republic to excellently implement its mission and duty as a political weapon in all fields of human remolding, social reform, and nature remaking.

As our party's creative ideas and its policy on ideological work were brilliantly implemented under the leadership of respected and beloved Comrade Kim Chong-il, all the people have become a great unit of *chuche*-type communist revolutionaries who are thoroughly armed with our party's revolutionary idea, the *chuche* idea, and are boundlessly loyal to the party and the leader; and the main forces of our revolution have been strengthened as ranks of perfect unity among the leader, the party, and the masses. [applause]

In the past, in some countries engaged in building socialism, people were imbued with bourgeois and liberal manners, ideological positions were ruined, and socialism finally collapsed as a result of neglecting ideological work. Looking back at this tragic situation, we feel keenly the revolutionary spirit and greatness of the leadership of respected and beloved Comrade Kim Chong-il, who has victoriously led the revolution and construction while adhering to ideas and hardening the ideological positions of socialism. [applause]

The great leader Comrade Kim Chong-il has firmly adhered to independence in all domains of state activities, has led the people to implement our party's *chuche*-oriented line for socialist construction invariably in any situational changes, and has actively aroused a broad range of masses to display their revolutionary zeal and creative wisdom so as to constantly effect an upsurge in socialist construction.

Thanks to the grand idea and seasoned leadership of great Comrade Kim Chong-il, the cause of creation and construction for the fatherland's prosperity has been pushed ahead with in a unprecedented scale and depth. As a result, many monumental creations of eternal value and many assets were built everywhere throughout the country, including the revolutionary

capital of Pyongyang, so that the appearance of the fatherland has been renewed.

Under the energetic leadership of Comrade Kim Chong-il, the respected and beloved supreme commander, the combat ability of the People's Army has been strengthened extraordinarily; our all-county and all-people defense ability and system has firmly been hardened; and our Republic has changed into an impregnable country, which no strong enemy can dare to invade. [applause]

The great leader Comrade Kim Chong-il, who is boundlessly faithful to the respected and beloved leader's [suryongnim] grand idea and cause of fatherland construction, sent a meaningful personal letter to all the people throughout the country, who were greeting the New Year holiday in grief of losing the fatherly leader, encouraging them to fulfill their duties as the leader's fighters and pupils by enriching our country, our fatherland. He also presented the party slogans on the 50th anniversary of the WPK founding and vigorously aroused the entire party, all the people, and the entire Army to a new struggle for growth and prosperity of the socialist fatherland.

The tested leadership and lofty efforts of the great Comrade Kim Chong-il, who upholds the fatherly leader's will and teaching of a lifetime, personally leads the socialist general march movement at the fore, and devotes himself and strives day and night, without relaxing, for the endless prosperity of the fatherland, strongly encourage all our party members, working people, the people, and soldiers to achieve new heroic feats, speed up the socialist construction, and bring about brilliant achievements in the struggle to implement the party's revolutionary economic strategy. Thanks to the wise leadership of the great Comrade Kim Chong-il, who is indeed skilled both in literary and military arts and who leads the revolution and construction to victory with unrivaled and outstanding leadership and extraordinary wisdom, our people were able to change the great pain of losing the fatherly leader with thousand-fold strength and courage, and create miracles in the socialist construction that have surprised the world. [applause]

Because the respected and beloved General Kim Chong-il, an ever-victorious iron-willed sagacious general, is leading our Republic, we are able to smash every step of the vicious anti-Republic and antisocialist maneuvers of the imperialists and reactionaries and repeat brilliant victory; our country could stay unshaken in any storm and vigorously advance along the socialist road that we chose. Our Republic, founded and ceaselessly strengthened and developed by the respected and beloved Comrade Kim Il-song, is today unfolding the zenith of na-

tional prosperity under the great leader [yongdoja] Comrade Kim Chong-il's outstanding and tested leadership. [applause]

Because we have the great leader Comrade Kim Chong-il, who has inherited the ideology, leadership trait, and lofty personality of the respected and beloved leader [suryong] and who is brilliantly succeeding and completing the chuche revolutionary cause, at the fore of our revolution, the great leader [suryong] Comrade Kim Il-song lives forever in the hearts of our people, and our glorious fatherland DPRK will be forever prosperous along with the leader's esteemed name. [applause]

On the significant occasion of commemorating the 47th founding anniversary of the Republic, I extend the highest respect and eternal glory with boundless admiration and blazing loyalty of all people in the country to the great leader [suryong] of our party and people Comrade Kim Il-song, who founded our Republic and established the most superior popular masses-centered socialism of our own style and gave our people today's endless happiness and bright future. I also express the greatest glory and warmest gratitude to the great leader [yongdoja] of our party and people Comrade Kim Chong-il, who has brilliantly inherited and developed the leader's [suryong] lofty revolutionary achievements, enhanced the dignity of the socialist Korea, and unflinchingly led the sacred struggle to complete the chuche cause to the single road of victory. [applause]

Comrades: Today, we have the heavy and honorable task of making our Republic, founded and strengthened and developed by the great leader Comrade Kim Il-song, richer and more powerful and completing the chuche revolutionary cause generation after generation.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: We must profoundly perceive our historic mission before the era and revolution, strengthen the people's government, which serves the people, and, thus, resolutely protect and defend popular masses-centered our-own-style socialism and glorify it.

Further glorifying the chuche-oriented socialist fatherland under the leadership of the great leader [yongdoja] Comrade Kim Chong-il is the fatherly leader's earnest behest and our people's noble historic mission today. [applause]

All party members and workers must firmly believe that the great leader Comrade Kim Il-song will be with us forever and resolutely protect and defend the immortal revolutionary achievements which the respected and beloved leader, who was the founder and leader [yongdoja] of our Republic and the founding

father of socialist Korea, brought about and glorify them for ages. [applause]

We must thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary idea, strongly adhere to it as the eternal guiding idea of our Republic and revolution, and consistently implement the chuche-oriented idea, ideal, and method in all areas of state activities. Strengthening our single-hearted unity around the great leader [yongdoja] Comrade Kim Chong-il by all means and loyally upholding the party's leadership is a decisive guarantee to further glorify the chuche-oriented socialist fatherland and inherit and complete the great leader's revolutionary cause to the end. [applause]

All party members and people must cherish the blessing of having a leader [suryong], which they are enjoying generation after generation, deep in their hearts, resolutely protect and defend great Comrade Kim Chong-il, the center of unity in our revolution, politically and ideologically and with their lives, possess a sense of moral obligation to the leader [yongdoja], and be boundlessly loyal to the respected and beloved comrade supreme commander's idea and leadership. [applause]

All officials, party members, and workers must cherish the fatherly leader's behest deep in their hearts and unite around great Comrade Kim Chong-il. And, we must more strongly establish the revolutionary discipline that the entire party, the entire country, and the entire Army move like one under the leadership of the respected and beloved comrade supreme commander.

Scoring great revolutionary upsurges in socialist construction is an important requirement to make our Republic, founded and led by the great leader Comrade Kim Il-song, richer and more powerful. Comrade Kim Il-song, the respected and beloved leader, made great efforts for the fatherland's prosperity and development and the people's happiness until the last moment of his great life and brilliantly elucidated the task of implementing the party's revolutionary economic strategy and methods for implementing it.

All the workers and functionaries, including the heroic working class, must uphold the fatherly leader's lifetime teaching; highly resound the drums of the revolution through the revolutionary spirit of self-reliance and fortitude; and launch a vigorous struggle to unconditionally and thoroughly implement the tasks put forth before their sector and unit, so that new upsurges can be brought about in all fronts of socialist construction to thoroughly implement the party's revolutionary economic strategy, and thus, brilliantly decorate the 50th anniversary of the party founding as a great festival of the victors. [applause]

Strengthening the people's regime and enhancing its function and role are important work to elucidate socialism of our own style without fail. In building the regime, we must thoroughly embody the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership and firmly establish the party's leadership system within the people's regime. By doing so, our people's regime, which is a strong weapon of revolution and construction, must all the more magnificently carry out its duty and role as the representative of the popular masses' independent rights with the working class as the core; as the organizer of creative ability; as the head in the people's living; and as the defender of the people.

According to the demand of the Chongsan-ri spirit and Chongsan-ri method, all the functionaries must go deeply into the masses and live with them to become the standard-bearers of struggle leading the masses through their practical example and fulfill their duties as the messenger of the people.

Consolidating the country's defense capabilities as firm as a rock is a firm guarantee to advocate and adhere to socialism of our own style centered on the popular masses and to fulfill the chuche revolutionary cause to the end. In face of the new war provocative maneuvers of the imperialists and their cat's paw, we are putting great strength in consolidating the country's defense capabilities as firm as a rock. By doing so, work must be carried out to make our People's Army into a strong Army of matchless victory; establish the trait of attaching great importance of the military in the Republic's society; and all the more thoroughly embody the ideology of Army-people unity, to firmly cement the all-people and all-state defense system so that the chuche socialist fatherland can be firmly safeguarded. [applause]

The fatherland's reunification is the greatest duty and an urgent task of the nation which can no longer be delayed, facing our party and the Republic's regime.

Recalling the past, the history of the miserable fate of national division since the national liberation is the history of the confrontation between the two different positions — an independent position and a position of relying upon outside forces. The entire course of this history clearly proves that the government of our Republic is an independent sovereignty that has struggled to solve the problem of the country's reunification invariably based on a position of national independence, while the South Korean regime is thoroughly a colonial puppet subordinate regime that has pursued its ambition to reunify the country by defeating communism with the help of outside forces. The two contradictory posi-

tions have been clearly expressed again by the sincere efforts of the government of the Republic, which successfully held the grand national reunification festival in accordance with the desire of all compatriots on the 50th anniversary of the fatherland's liberation, and by the sinful behavior of the South Korean puppet regime which viciously maneuvered to block the great joint national event by any means.

The recent grand national reunification festival, which people from the North and South and abroad successfully held after destroying all obstruction maneuvers by antipopular and antireunification forces at home and abroad, was a meeting of great national unity in which the 70 million fellow countrymen's earnest desire and will to achieve national unity and reunification in the nineties were demonstrated powerfully. It was also a proud victory won by the patriotic forces for reunification against the divisionist forces. [applause]

Political parties and public organizations from the North and South and abroad held a grand national conference at the grand national reunification festival on the 50th anniversary of the fatherland's liberation. They also held a pan-national consultation on reunification for the first time in almost a half century. This was a historic event that served as a turning point in developing our nation's reunification movement into a new higher stage.

The grand national conference unanimously confirmed that achieving reunification under a confederal system based on one nation, one state, two systems, and two governments is our nation's common reunification formula. In this way, the conference firmly raised bright prospects for achieving reunification in the nineties.

Achieving reunification under a confederal system in the nineties is the noble intention of the great leader Comrade Kim Il-song, who made boundless efforts for national unity and the country's reunification, and the firm will of great Comrade Kim Chong-il, who is leading on the vanguard the entire nation's struggle to reunify the fatherland.

In hearty response to the great leader Comrade Kim Il-song's behest for reunification and under the wise leadership of the great leader [yongdoja] Comrade Kim Chong-il, our people and the government of our Republic must hold the banner of great national unity high and more vigorously wage the struggle to reunify the fatherland on the united strength of the entire nation. By so doing, they will achieve reunification under a confederal system in the nineties without fail. [applause]

As we did in the past, we will adhere to independence, peace, and friendship as our Republic's consistent foreign-policy ideals and make every effort to

achieve independence in the world and develop relations of friendship and cooperation with people of various countries of the world, including the socialist countries and nonaligned countries.

The great leader [yongdoja] Comrade Kim Chong-il, who is brilliantly inheriting and completing the chuche revolutionary cause, is standing on the vanguard of our party and Republic. [applause]

Victory, honor, happiness, and prosperity will always be with our people and Republic, that are waging the struggle for just causes under the leadership of respected and beloved Comrade Kim Chong-il while holding the banner of the chuche idea high. [applause]

Let us all strongly unite around the great leader [yongdoja] Comrade Kim Chong-il and vigorously fight to complete the socialist cause and hasten the fatherland's reunification in hearty response to the great leader Comrade Kim Il-song's behest! [applause]

Long live the revolutionary idea of Comrade Kim Il-song, the great leader of our party and our people! [applause]

Long live the WPK, the organizer and guide of all revolutions of the Korean people! [applause]

Long live the DPRK, the honorable fatherland! [applause]

Daily Calls Kim Chong-il 'Outstanding Thinker'

*SK1109104895 Pyongyang KCNA in English
1040 GMT 11 Sep 95*

["Outstanding Leader Guiding Revolution With Great Thinking" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The great leader of our party and people, Comrade Kim Chong-il, is the most outstanding thinker and theoretician in our age who leads the revolution and construction with profound and energetic thinking, says NODONG SINMUN in an article today.

The paper quotes the great leader Comrade Kim Il-song as saying:

"Comrade Kim Chong-il has developed the chuche idea of our party to be the great guiding idea of the era of independence by conducting ideological and theoretical activities with extraordinary pursuit and energy."

The authors of the article say:

Since he began the leadership over the party work in the 1960s, respected Comrade Kim Chong-il has covered the road of revolution with uninterrupted thinking and tireless pursuit.

His thinking is a very creative one.

In dealing with any ideological and theoretical issue, he penetrates deep into the changed situation and the new demand of the time and finds a solution therefrom.

In the '60s when Marxism-Leninism was being worshipped as an absolute truth, he gave a clear-cut exposition of its historical limitations and held high the banner of the chuche idea.

It is his great feat that he defined it as the basis in understanding the relations between the chuche idea and the preceding theories to consider the originality to be a rudiments and link it with continuity.

His thinking is a very profound philosophical one.

The people in the present era are lauding him as the most illustrious philosopher ever in history.

All of his ideas and theories are perfectly logical and profound, illustrated by esoteric principles.

His daily language is philosophical and of weighty importance.

His thinking is also a practical one which is linked with the practice and gives answers to questions arising in the practice.

His thinking is always based on actual conditions and practical activities.

The actual conditions for him are the masses of the people. It is his philosophical faith that if the masses' demand and will of independence are put together and systematized, they will be an idea, line and policy.

His thinking is an energetic one in which nobody can match him. His wide-ranging, many-sided thinking continues until he grasps the keypoint of the matter.

It is his distinguished trait of leadership to continue thinking while working and lead the revolution and construction while engaging in thinking.

The spheres of his thinking are limitless. He conducts wide-ranging, many-sided ideological and theoretical activities, including all the aspects of the world and all the fields of the revolution and construction in his thinking.

His thinking is a miraculous one whereby he has the world under his thumb.

We must always have our feet set on the land of Korea and have a deep understanding of the world — this is the creed he has always maintained in his thinking. What he always plans and goes ahead with are things of

worldwide significance and human significance, things which will remain effective in a remote future.

All of his initiatives and operations strike the world people with admiration.

The world's progressive people see in his thinking the ideological and mental height the humankind should reach.

The great traits of Comrade Kim Chong-il, an outstanding thinker, are unthinkable apart from his natural gifts.

He has distinguished natural gifts and ability befitting a great thinker and theoretician.

He has also a long memory beyond human imagination, great faculties of inquiry, scientific insight and wide and deep knowledge.

He has capacities of finding out the keypoints of the matters without so much efforts in complicated conditions of society, viewing everything theoretically with an innovative eye and foreseeing everything in a scientific way with clairvoyance and solving any matter with deep knowledge.

The great traits of Comrade Kim Chong-il, an illustrious thinker, are indicative of his intense loyalty to the revolution and devoted service for the people.

To accomplish the revolutionary cause of *chuche* started by the great leader Comrade Kim Il-song is the unshakable will of Comrade Kim Chong-il.

His thinking is the culmination of philosophy, intelligence and feelings.

Comrade Kim Chong-il, who leads the revolution by indicating the way to be followed by the time and awakening and inspiring the people with the great thinking, is a great teacher and an outstanding thinker, theoretician and statesman acclaimed by humanity in the 20th century.

The world people are unanimous in saying the 21st century will be a century of glory which will advance by the thinking and practical activities of Comrade Kim Chong-il.

Daily Commemorates Kim Chong-il's Work

SK1109054295 Pyongyang KCNA in English
0420 GMT 11 Sep 95

["Highly Important Work for Working People's Organisations"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — Twenty years have passed since the great leader Comrade Kim Chong-il published the famous work "On Strengthening Guidance Over the Activities

of Working People's Organisations" on September 10, 1975.

This is a famous work which indicated how to enable the working people's organisations to fully discharge their mission and tasks as mass political ones by strengthening party's guidance over their activities in keeping with the requirement of the developing realities.

Comprehensively consummated in the work are questions of principle arising in improving and strengthening party's guidance over the activities of working people's organisations so that they could successfully conduct their activities in accordance with their position and characteristics and give substantial guidance to the organisational and ideological life of their members.

NODONG SINMUN September 10 in an article dedicated to the anniversary of the publication of the work said that it fully demonstrated its great vitality in the practice of the Korean revolution for the validity and truthfulness of its idea and theory.

The author of the article says:

Under the leadership of the Workers' Party of Korea, the League of Socialist Working Youth, the General Federation of Trade Unions, the Union of Agricultural Working People and the Democratic Women's Union are creditably carrying out their tasks in ideological work among their members and the guidance over their organisational life. The working people's organisations are training their members into ardent revolutionaries by strengthening education in revolutionary traditions, class education, education in socialist patriotism and education in communist morality among them, laying main emphasis on education in monolithic ideology and fidelity.

Especially, the working people's organisations are instilling into the minds of their members the pride and self-confidence in making revolution under the guidance of Comrade Kim Chong-il and thus encourage them to work with devotion for the victory in the cause of socialism, closely rallied around him in one mind.

Yi Chong-ok Attends Founding Anniversary Rally

SK0909025695 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 8 Sep 95

[FBIS Translated Excerpt] Our party and our people meaningfully greet the founding anniversary of the DPRK, the honorable fatherland, at a historic time when they are struggling vigorously to enrich and develop our country, our fatherland, and to complete the *chuche* revolutionary cause while upholding the great leader [yongdoja] Comrade Kim Chong-il at the top of the revolution.

A central report meeting was held yesterday [8 September] at the 8 February House of Culture, marking the 47th anniversary of the founding of the DPRK. [passage omitted]

Seated on the rostrum were Comrades Yi Chong-ok and Pak Song-chol, members of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice presidents; Vice President Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of the General Staff of the Korean People's Army [KPA]; Comrade Kye Ung-tae, member of the Political Bureau and secretary of the WPK Central Committee; Comrade Kim Chol-man, candidate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau and secretary of the WPK Central Committee; Comrade Hong Song-nam, candidate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Sok-hyong, candidate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Commission; Comrades Yi Ul-sol, Paek Hak-nim, Kim Kwang-chin, and Kim Ik-hyon, vice marshals of the KPA; Comrades Hwang Chang-yop and Kim Yong-sun, secretaries of the WPK Central Committee; Comrades Kim Pok-sin and Chang Chol, vice premiers of the Administration Council; Comrade Yun Ki-pok, chairman of the Economic Policy Commission of the Central People's Committee [CPC]; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; Comrade Chon Mun-sop, chairman of the CPC State Inspection Commission; Mrs. Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee; responsible functionaries of party, government, and public organizations; anti-Japanese revolutionary fighters; heroes; and meritorious people. [passage omitted]

Banquet Celebrates Nation's 47th Anniversary
SK1009092895 Pyongyang KCNA in English
0826 GMT 10 Sep 95

[FBIS Transcribed Text] Pyongyang, September 10 (KCNA) — The Government of the Democratic People's Republic of Korea gave a banquet at the People's Palace of Culture on the evening of September 9 in cel-

ebration of the 47th anniversary of the foundation of the DPRK.

Present at the banquet were Vice-Presidents Yi Chong-ok and Pak Song-chol, Foreign Minister Kim Yong-nam and Chief of the General Staff of the Korean People's Army Choe Kwang who are members of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK], and other party and government cadres.

Also present were members of the congratulatory group of Korean residents in Japan to celebrate the 47th anniversary of the DPRK led by O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, other overseas Koreans and Yi Yong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea. Invited there were foreign diplomatic envoys here, embassy officials and foreign guests.

Speaking at the banquet, Yi Chong-ok said that the glorious DPRK was founded by the great leader Comrade Kim Il-song and the proud history of its prosperity was also created by him.

Yi continued:

Under the correct leadership of the WPK and the DPRK Government, our people have grown to be an invincible people who have firmly armed themselves with the chuche idea and rallied around the party and the leader in one mind in the vigorous drive of creation and construction for socialism, and ours has been turned into a powerful socialist country, independent, self-sufficient and self-reliant in national defence.

Today our people are glorifying a worthy life, enjoying the value of independent man and the pride of genuine socialist life in the bosom of the DPRK.

The high glory and dignity of the DPRK and the happy and worthy life of our people — all this is entirely precious fruition of the wise leadership and great efforts of the great leader Comrade Kim Il-song, the father of the nation and the founder of socialist Korea.

He restored the lost country, built a genuine people's power and led the DPRK to prosperity and development. His immortal feats will shine long with the glorious and brilliant history of the country.

Our people are now vigorously struggling to accomplish the chuche revolutionary cause, full of great national pride and revolutionary self-confidence, blessed with the great leaders through generations, holding respected Comrade Kim Chong-il in high esteem as a great leader.

The DPRK will throw rays and prosper infinitely with the august name of the fatherly leader Comrade Kim Il-song under the leadership of the great Comrade Kim Chong-il.

The DPRK Government will make our country more prosperous and successfully accomplish the *chuche* revolutionary cause and national reunification by implementing the revolutionary ideas and highly important teachings of the great leader Comrade Kim Il-song, taking them as the eternal guiding idea, the guideline under the leadership of our party Central Committee with Comrade Kim Chong-il as the centre.

Kim Chong-il Sends Birthday Tables to Koreans

*SK1109051595 Pyongyang KCNA in English
0427 GMT 11 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 11 (KCNA) — The great leader Comrade Kim Chong-il sent a centennial birthday table to old woman So Yun-hi in Changhung-ri, Sukchon County, South Pyongan Province.

He also sent the 80th birthday table to Pang Yang-won, an unassuming man of merited services in Kwail County-seat, South Hwanghae Province, and the 60th birthday tables to Yi Hyok-yon, section chief of the Yanggang Provincial People's Hospital, Paek Won-sop, a compressor operator at the Kapsan mine, Choe Yong-hyon, raftsmen of the Pyonghwa Forestry Station under the South Pyongan Provincial Forestry Management Bureau, and other unassuming men of merited services.

These benevolent tables are associated with the deep love of Comrade Kim Chong-il who has inherited the idea of the great leader President Kim Il-song on "believing in the people as in heaven."

South Korea

U.S. Reportedly Within New North Missile Range

*SK1109050895 Seoul SEOUL SINMUN in Korean
11 Sep 95 p 3*

[Report by Pak Chae-pom]

[FBIS Translated Text] The new Taepodong missile No. 2 that North Korea is developing is believed to have a maximum range of 10,000 km — which means that the U.S. mainland would be within its range — and will be ready for actual deployment around 2000.

According to an ROK intelligence official on 10 September, the assessment is based on a Russian-source intelligence on North Korea's ground-to-ground missiles.

The data Russia handed over to the ROK reveal that North Korea is continuing the research and development of Taepodong No. 1 and No. 2 at a missile test site in Sanum-tong and that it recently conducted a missile engine test.

A computer simulated test by the U.S. Defense Intelligence Agency estimated that the Taepodong No. 2 has a 4,300 to 6,000-km range, but the Russian authorities projected that when some technical problems are solved, the range could be expanded to over 9,600 km.

The Russian source analyzed that the safety of the inertial navigation system, adjustment of the warhead weight, and fuel injection device are the technologies North Korea needs to improve.

North Korea's Taepodong No. 2 is reportedly a two-stage missile with a 16-meter Taepodong No. 1 attached on a 16.2-meter thruster and a 1,000-kg warhead on the thruster.

An intelligence official said: "Irrespective of the recent economic setback, North Korea is speeding up the development of Taepodong No. 2 and other long-range weapons to block the support from the neighboring countries in case of an emergency on the Korean peninsula."

Kuala Lumpur KEDO Talks Commence 11 Sep

Delegation Departs

*SK0909073995 Seoul KBS-1 Radio Network
in Korean 0703 GMT 9 Sep 95*

[FBIS Translated Text] A delegation from our country left for Kuala Lumpur, Malaysia this afternoon to participate in negotiations on signing a treaty for supplying light-water reactors to North Korea. Four delegates, including Choe Yong-chin, deputy director-general of the Korean Energy Development Organization (KEDO), will participate from the ROK side in the negotiations to be held over two days beginning 11 September.

The KEDO delegation — composed of ROK, U.S., and Japanese delegates, including KEDO Director-General Bosworth — will have discussions with North Korea on overall issues concerning the supply of light-water reactors, such as the scope of reactor supply and terms of repayment.

Format, Agenda Outlined

*SK1009083895 Seoul YONHAP in English
0722 GMT 10 Sep 95*

[FBIS Transcribed Text] Kuala Lumpur, Sept. 10 (YONHAP) — The Korean Peninsula Energy De-

velopment Organization (KEDO) and North Korea will start Monday negotiations on the supply of two 1,000-megawatt-class pressurized light-water nuclear reactors to North Korea under the agreement reached between the United States and the communist country here in June.

The 14-member KEDO delegation, headed by Executive Director Stephen Bosworth, includes deputy executive directors Choe Yong-chin of South Korea and Itaru Umezumi of Japan and special aide to the U.S. nuclear ambassador Gary Samore.

The 11-member North Korean delegation is headed by roving ambassador Ho Chong and includes deputy American Affairs Department Director Yi Yong-ho of the Foreign Ministry.

The two-day talks will be held in two parts — high-level meeting and working-level meeting. In the working-level meeting, the KEDO will be represented by Gary Samore and North Korea by Yi Yong-ho.

Arriving here Sunday, Deputy Executive Director Choe of the KEDO said the two sides had agreed on basic matters related to the talks, such as holding a high-level meeting, adding that details of the talks, including the agenda and the schedule, would be discussed in Monday's preliminary talks.

A KEDO source said in the working-level meeting Samore would present a KEDO-drafted reactor supply contract which contains the U.S.-North Korea agreement reached in the Malaysian capital in June and Yi Yong-ho would offer a North Korean revision to the KEDO contract.

The two-day talks can hardly produce any significant results regarding the reactor supply contract and the talks for such results will be held after the KEDO Executive Board meeting slated for Tokyo Thursday next week, he remarked.

First Round Begins

SK1109083995 Seoul YONHAP in English
0831 GMT 11 Sep 95

[FBIS Transcribed Text] Kuala Lumpur, Sept. 11 (YONHAP) — The Korea Peninsula Energy Development Organization (KEDO) and North Korea opened Monday the first round of their talks to negotiate a light-water reactor supply contract at the Regent Hotel here.

Attending the talks is a 14-member KEDO delegation led by KEDO Executive Director Stephen Bosworth and including Deputy Executive Directors Choe Yong-chin from South Korea and Itaru Umezumi from Japan.

Meanwhile, an 11-member North Korean delegation is being led by Ambassador Ho Chong.

The two sides began a plenary session without holding a preliminary meeting at the suggestion of the North Koreans.

The plenary session was followed by a luncheon with three senior delegates from each side attending. KEDO was represented by the executive director and two deputy executive directors, while the North was led by Ambassador Ho Chong, Deputy Director Yi Yong-ho of the Foreign Ministry's America Bureau and an official from the Atomic General Bureau.

Following discussions on this round of talks' itinerary and other administrative issues, both sides reportedly confirmed the agreements reached at the U.S.-North Korea light-water reactor talks held here last June and presented their basic stands on the light-water reactor supply contract to be concluded.

KEDO has already conveyed to the North Koreans for review a draft reactor supply contract comprised of 15 to 20 pages, KEDO Deputy Executive Director Choe said.

Prior to the plenary session, Choe told reporters, "Though it is being conducted under KEDO, this is the first time South Korea has sat down with the North to discuss the nuclear issue."

To reduce the risks of an impasse, the talks will consist of high-level and expert meetings and the first round will be concluded in two or three days, Choe said. Depending on the needs of both sides, however, the talks may resume after an interval of several days, he added.

Should the talks continue, they will be held by experts as Bosworth, Choe and Umezumi are scheduled to attend the KEDO Board of Executives meeting slated for Thursday in Tokyo, according to Choe.

At the experts' talks, the KEDO team will be led by Special Aide to the U.S. Nuclear Ambassador [title as received] Gary Samore and the North Koreans by Yi Yong-ho, deputy director of the Foreign Ministry's America bureau, according to another South Korean official.

The experts' talks will discuss KEDO's draft light-water reactor supply contract and the North's counter-proposal. KEDO's draft contract contains what was agreed upon at last June's U.S.-North Korea light-water reactor talks, the official said.

White Paper Describes North as 'Main Enemy'

SK1009060795 Seoul YONHAP in English
0601 GMT 10 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 10 (YONHAP) — North Korea will be described as South Korea's "main enemy" in the 1995-96 defense white paper to be published soon, a Defense Ministry official said.

In last year's defense white paper, the Defense Ministry omitted the description of North Korea as the main enemy in defining the objective of the national defense as protection of the nation from foreign military threat and invasion, backup of peaceful reunification of the divided land and contribution to regional stability and world peace.

The coming defense white paper will clearly put down North Korea as the main enemy because last year's white paper, lacking this description, gave rise to misunderstandings about the status of North Korea in the nation's defense strategy, including debates on the nation's main enemy, he said.

The new white paper will estimate North Korea's ground troops at a total of 1.04 million for this year, up 10,000 from last year, he added.

UN Reports Flood Affects 500,000 in North

SK1109120295 Seoul YONHAP in English
1150 GMT 11 Sep 95

[FBIS Transcribed Text] Geneva, Sept. 11 (YONHAP) — The United Nations has launched international efforts to provide emergency assistance to North Korea which suffered profound damages due to heavy rains in late last July through mid-August, it was learned here Monday.

An official of the UN Department of Humanitarian Affairs (DHA) headquartered here in Geneva said reports prepared by fact-finding teams from various UN agencies indicate that about 500,000 people in 100,000 families were stricken directly by the flood.

The fact-finding teams that have been to the North were from the DHA, UN Food and Agriculture Organization (FAO), UN Children's Fund (UNICEF), World Food Program (WFP) and World Health Organization (WHO).

Saying that North Korean flood victims badly need clothes, beddings, kitchen goods, medical supplies and foods, the official said the DHA is prepared to play the role of a conduit for receiving cash contributions during a relief campaign period and delivering them to North Korea.

He said some relief goods such as clothes, beddings and kitchen goods are already being distributed to flood victims through permanent UN coordinators posted in Pyongyang.

Diplomatic sources here said some UN agencies and governments had contributed about 450,000 dollars in both cash and goods for North Korea as of last Sept. 8.

The contributors included the DHA, WHO, UNICEF and the governments of Germany and Norway.

The DHA is said to have tentatively estimated there need about 1,500 million dollars in assistance for North Korea.

The DHA plans to hold a press conference and a briefing for the members of the foreign diplomatic corps at 2 PM Tuesday local time [0500 GMT 12 September] to call for international participation in the relief campaign.

The DHA official further said that due to the recent flood coupled with last year's heavy hailstorm, North Korea's farmlands were heavily damaged, apparently causing North Korea to suffer food problems for some years to come.

Stating that the recent flood has done extensive damages to North Korea's industrial and infrastructural facilities as well, the official said damages in this sector represent a lion's share in the total flood damages estimated by North Korea at 15 billion dollars.

North Quarantines Cholera-Stricken Areas

SK1109120095 Seoul TONG-A ILBO in Korean
11 Sep 95 p 3

[FBIS Translated Excerpt] Cholera broke out in North Korea, presumably infecting thousands of North Koreans.

Even though the exact number of patients is unknown, seeing as North Korea failed to report the outbreak of the disease to the World Health Organization, cholera is reportedly spreading rampantly throughout North Korea due to poverty, the poor hygienic environment, and the recent torrential downpours.

According to related government authorities on 10 September, the major cholera-stricken districts include Haeju, Chongdan, Sinchon, and Yongyon in South Hwanghae Province near Kanghwa Island in South Korea, and Sariwon in South Hwanghae Province.

Cholera was also reportedly discovered in Pyongsong, Pyongwon, Anju, Sinyang, Sunchon, and Sukchon in North Pyongan Province; in Puryong, Kilju, Hwasong, Hoeryong, Musan, Hwadae, Orang, and Saebjol in

North Hamgyong Province; and Nagwon and Pukchong in South Hamgyong Province.

In the case of Kangwon Province, the epidemic was reportedly found in Hoeyang, Munchon, Chonnae, and Tongchon; in Yanggang Province it was found in Pochon. Cholera broke out in Kaesong as well.

In a desperate bid to prevent the epidemic from spreading further, North Korean authorities are banning entry into and exit from 13 districts such as Pyongyang, Nampo, Chongjin, Hamhung, Kimchaek, Anju, Sariwon, Wonsan, and Hwangju.

The North Korean authorities are also banning fishing and the sales of marine products in the districts as well as gatherings such as sports games that draw large spectators.

Japan's SANKEI SINMUN reported on 31 August, citing a well-informed source, that cholera began to spread in North Korea from last May, killing 230 patients. [passage omitted on the outbreak of cholera in other regions such as Latin America, southeast Asia, and Africa]

Na Ung-pae Comments on North Presidency

*SK1109105195 Seoul YONHAP in English
1041 GMT 11 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — Deputy Prime Minister Na Ung-pae observed Monday North Korea may go without a state president for some time to come.

Na said he cannot rule out the possibility that North Korea will continue to be ruled with "Kim Il-song's teachings" as now for a considerable period of time as a means of ensuring their system and public unity in a circumstance where there lack any effective ways of resolving a host of problems facing the regime.

"It appears Kim Chong-il's formal rise as the top North Korean leader remains an issue related directly to the ability to tackle various problems besetting North Korea," he said in a report made at a party-administration session.

The deputy premier who is concurrent national unification minister also said that so far South Korea has shipped 107,500 tons of rice to North Korea out of the 150,000 tons it had promised North Korea.

He said that given the time needed in hulling rice, the remaining 42,500 tons could be shipped by early October.

Na said his government does not consider providing any separate flood relief goods to North Korea since he said the uninterrupted delivery of the committed rice itself

could be of much help to relieving flood victims in the North.

"However, we may mull giving them some additional assistance in the event an international organization asks for it and North Korea makes a formal request," he said.

At the third-round of South-North talks set for Sept. 27 in Beijing, the South would lodge strong demands with respect to the issues of seized fishing boat Usong-ho, Rev. An Sung-un, unabated slanders against the South, and rice-related remarks by the North's Kim Yong-sun, the deputy prime minister said.

Factors Listed for Humanitarian Aid to North

*SK1109053195 Seoul CHOSON ILBO in Korean
11 Sep 95 p 2*

[Article by reporter Ku Song-chae: "Meaning of the ROK Government's Consideration of Assistance for the North Korean Flood"]

[FBIS Translated Text] The ROK Government's decision to consider extending assistance to North Korea for flood damages is "news" in North-South relations but not unusual in view of the government's record for foreign humanitarian assistance. The government extended \$1 million (800 million won) and \$500,000 (400 million won) in relief goods, respectively, to Russia and Japan this year.

However, North Korea must meet several conditions before South Korea in reality extends assistance to North Korea. They include North Korean authorities' official request and North Korea's change of attitude toward South Korea. Therefore, it is too early to predict whether the assistance will materialize.

Since the August floods, North Korea has openly asked the United Nations for help and turned to over 10 countries, including the United States, for help. This is an unprecedented move and means that North Korea is facing a very urgent situation.

As for the scale of the flood damages, North Korea insists that there were "5.2 million flood victims and \$15 billion in damages." However, the first report of the UN's Department of Humanitarian Affairs says the floods affected "100,000 households and 500,000 people." Department of Humanitarian Affairs officials are still inspecting the damages across North Korea, and a second report will be made public.

The international community has not made a positive response to the North Korean request. The Department of Humanitarian Affairs donated \$50,000; the UN Development Program \$50,000; the WHO \$100,000;

the Norwegian Government \$100,000; and the U.S. Government \$25,000.

If this trend continues, North Korea may only receive several million dollars from the international community.

Not much international assistance has been extended to North Korea for several reasons. One of the reasons is that the flood damages have not been widely known to the world. This is a result of the fact that North Korea has lived isolated from the international community.

Whatever the case may be, it will be difficult for the ROK to be a spectator to the difficulties facing North Korea. It is like "watching a fire on the opposite side of the river." This is because of its humanitarian affairs practices in the international community. And, North Korea reportedly has already asked the ROK to extend assistance through a "Beijing channel."

Pertinent officials say North Korea very frequently uses the term "upper town" and "lower town" in place of North Korea and South Korea, implying that North and South Korea are "of the same race." This is another piece of evidence indicating the urgency of the North Korean situation. We received "relief goods" from North Korea after a flood in 1984.

Pertinent officials say: Assistance will be extended to North Korea for flood damages only once for humanitarian purposes. And, the provision of such assistance will have nothing to do with the government's major policy toward North Korea. The scale of assistance will be determined by North Korea's attitude. It is expected that North and South Korea will discuss flood assistance when North Korea raise this issue at the "third round of North-South rice talks" which will start on 27 September.

Government, LDP Approve 1996 Defense Budget

SK1109025995 Seoul YONHAP in English
0243 GMT 11 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — The government and ruling Democratic Liberal Party (DLP) on Monday decided to set next year's national defense budget at 12.26 trillion won (15.9 billion U.S. dollars), a 10.7-percent increase over this year's budget.

The decision was reached at a defense meeting between the administration and the ruling party where Defense Minister Yi Yang-ho and DLP chief policymaker Kim Chong-ho attended.

The large increase in the country's defense outlay is the first since the inauguration of the incumbent civilian government in 1993.

National Assembly Session Opens 11 Sep

'Heated' Debates Expected

SK1109054795 Seoul YONHAP in English
0527 GMT 11 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — The 177th regular session of the National Assembly opened Monday afternoon and is expected to see heated debates between ruling and opposition parties over the government's investigation into alleged irregularities involving opposition lawmakers.

During the 100-day session, the lawmakers are scheduled to inspect the government administration, deliberate next year's budget and question cabinet members about government policies.

The National Assembly held an opening ceremony at 2 PM with key officials from the government, judiciary and the National Assembly attending. Among the participants were Prime Minister Yi Hong-ku, Chief Justice Yun Kwan and President of the Constitutional Court Kim Yong-chun.

The plenary session following the ceremony will decide the schedule of the parliamentary inspection of the administration and is expected to elect Rep. So Chong-hwa of the ruling Democratic Liberal Party (DLP) chairman of the National Assembly steering committee.

The parliamentary inspection will begin on Sept. 25 and continue for 20 days.

Rep. Hwang Nak-chu, house speaker, said in the opening address, "The ruling party should lead the national administration, taking the people's interest into account. And the opposition parties should also participate in the session, providing healthy criticism for the sake of the people rather than for their party's interests."

Political analysts expect that during the last regular session of the incumbent 14th National Assembly, heated controversies will surface over the prosecution's arrest of Rep. Choe Nak-to of the National Congress for New Politics (NCNP) and the investigation into Rep. Pak Un-tae of the Democratic Party.

Although Rep. Pak is a member of the DP technically, he is to join the recently founded major opposition NCNP led by Kim Tae-chung.

Agenda Outlined

SK1109062295 Seoul YONHAP in English
0545 GMT 11 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — The National Assembly kicked off its 177th regular

session Monday, drawing keen attention from the people as it is expected to be a testing ground for the new four-party system which resulted from the June local elections.

Hovering over what appears to be the last sitting of the 14th National Assembly is a storm of intense government-opposition policy contests, as both the ruling and opposition parties are trying to make use of the parliament to gain advantages in the general elections slated for next April.

The ruling Democratic Liberal Party (DLP) is giving top priority to its floor activities in order to help it regain some of the prestige it lost as a result of the humiliating defeat it suffered in the local elections.

It held a high-level policy coordination meeting with the administration Monday afternoon, with Chairman Kim Yun-hwan and Prime Minister Yi Hong-ku attending, in a bid to show that the administration will strongly support the DLP in its floor activities.

DLP spokesman Son Hak-kyu said the DLP would endeavor to run the parliament in a productive manner so as to regain the public's trust and called on the opposition camp to deal with problems facing the people in their everyday life.

Playing the lead role as the majority party, the DLP will tackle issues the three opposition parties bring up on a case by case basis, in an attempt to prevent them from launching a joint offensive against the government.

Expecting that the biggest political issues facing the regular parliamentary session will be provincialism and a generational shift in politics, the DLP plans to take the initiative when dealing with these issues.

The main opposition National Congress for New Politics (NCNP) plans to run the parliament in a bi-party system along with the DLP, hoping to make the coming general elections a DLP-NCNP contest.

To this end, it will make issues of the arrest of Rep. Choe Nak-to and the investigation of Rep. Pak Un-tae to make itself appear a party oppressed by the government.

In light of this, it also plans to introduce a motion demanding the release of Rep. Choe, while bringing the government under fire for suspected bribery cases involving former lawmaker Yi Won-cho, former Finance Minister Yi Yong-man and former Government Administration Minister So Sok-chae's allegation concerning a former president's illegal political slush fund.

NCNP spokesman Pak Chi-won said that in floor activities his party would stick to three principles —

maintaining a leading role in developing parliamentary politics, transparency as the main opposition party and the posture as a sound opposition party confronting the government with alternative policies.

The Democratic Party is expected to try to distinguish itself as "the traditional opposition," keeping its distance from the NCNP in its floor activities, while the United Liberal Democrats will also strive to establish a clear border between itself and the NCNP.

Kim Ki-su Named Prosecutor General

*SK1109084295 Seoul YONHAP in English
0832 GMT 11 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — President Kim Yong-sam decided Monday to appoint Kim Ki-su, chief of the High Public Prosecutor's Office, the new prosecutor-general, presidential spokesman Yun Yo-chun said.

Kim will replace the current Prosecutor-General Kim To-un whose term expires on Sept. 15.

President Kim plans to formally appoint Kim to the post on Tuesday [12 September] after a cabinet meeting gives its final approval for the appointment.

Government Limits 1996 Public Sector Hiring

*SK1109031895 Seoul YONHAP in English
0204 GMT 11 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 11 (YONHAP) — The government will limit the number of new national public servants it hires next year to 2,000 in order to limit the current size of the government.

The public servants will include those serving at national government agencies, judges, policemen and teachers, as well as those in other civil and foreign service positions.

National government agencies, including the courts and police, estimated that manpower demands will total 4,665 personnel next year, but the number of positions that will be offered was set at 2,000, according to the Finance and Economy and Government Administration Ministries.

The government had budgeted for 2,044 national public employees to be hired, including 1,222 teachers, 132 policemen and 690 judges, prosecutors and others, for this year, but the actual number of personnel hired is expected to reach 3,000, including the 344 who will be recruited between now and year's end, Government Administration Ministry officials said.

In 1996, a total of 2,662 national public servants will become provincial and city employees as a result of the local autonomous system implemented last July.

Between Feb. 25, 1993, when President Kim Yong-sam took office, and Sept. 5, 1995, a total of 10,922 national public servant positions were taken over by

provincial and city offices, but 11,043 new national public employees were recruited in the period. As a result, the number of national public employees increased by 121 during this period in spite of the hiring freeze.

Burma

Madeleine Albright, Party Arrive in Rangoon

*BK0809150495 Rangoon Radio Myanmar in Burmese
1330 GMT 8 Sep 95*

[FBIS Translated Text] Miss Madeleine K. Albright, ambassador of the United States of America and permanent representative to the United Nations, and party arrived in Yangon [Rangoon] on a special aircraft at 0830 today.

Miss Madeleine K. Albright and party were welcomed at the Yangon International Airport by U Khin Maung Win, director general of the Political Department of the Ministry of Foreign Affairs; Ms. Marilyn A. Meyers, charge d'affaires of the U.S. Embassy; and embassy staff.

Khin Nyunt Receives Albright

*BK0809161295 Rangoon Radio Myanmar in Burmese
1330 GMT 8 Sep 95*

[FBIS Translated Text] Lieutenant General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council of the Union of Myanmar [Burma] received Miss Madeleine K. Albright, ambassador of the United States of America and permanent representative to the United Nations, and party, who are currently in Yangon [Rangoon], at the Ministry of Defense's Dagon House at 1030 today.

With Lt. Gen. Khin Nyunt at the meeting were U Ohn Gyaw, minister of foreign affairs, and Thura U Aung Htet, director general of the Protocol Department, while the guests were accompanied by Ms. Marilyn A. Meyers, charge d'affaires of the U.S. Embassy.

Albright Holds News Conference

*BK0909153695 Rangoon Radio Myanmar in Burmese
1330 GMT 9 Sep 95*

[FBIS Translated Text] Miss Madeleine K. Albright, ambassador of the United States of America and permanent representative to the United Nations, who was in Yangon [Rangoon], held a press conference with local and foreign journalists at the Yangon International Airport's VIP lounge at 1415 today.

After the news conference, she left Yangon on a special aircraft at 1500.

She was seen off at the airport by U Khin Maung Win, director general of the Political Department of the Ministry of Foreign Affairs; Ms. Marilyn A. Meyers, charge d'affaires of the U.S. Embassy; and embassy staff.

Aung San Suu Kyi Views Political Situation

*OW0809132395 Tokyo KYODO in English
1301 GMT 8 Sep 95*

[FBIS Transcribed Text] Yangon [Rangoon], Sept. 8 KYODO — Myanmar's [Burma] pro-democracy leader Aung San Suu Kyi said Friday [8 September] the political situation in military-ruled Myanmar has not improved since her release two months ago after six years of house arrest.

"Of course I am now able to speak to the media and I am able to present our views of the democratic forces to the world. But there has been no lifting of regulations restricting the political activities," Suu Kyi said in an interview with KYODO NEWS SERVICE at her lakeside residence in Yangon.

Asked about the prospects of dialogue with the junta, one of her key demands, the Nobel Peace Prize winner said, "In politics one should always adopt an attitude of cautious optimism."

She said it is quite reasonable to expect some significant changes "within a matter of months."

"All problems have to be solved through dialogue. The sooner the dialogue, the better for the people. Dialogue has to be realized," she added.

Suu Kyi said that topping the agenda in talks with the junta would be the question of recognizing the results of the 1990 general election, which was meant to reestablish the country's legislature that, like other state organs, had been abolished following the Sept. 1988 military coup.

The election brought a landslide victory for the opposition forces, including Suu Kyi's National League for Democracy (NLD).

But the junta, known as the State Law and Order Restoration Council (SLORC), which by then had already placed Suu Kyi under house arrest, refused to convene the assembly, arguing that the election was held to form a constitution-drafting constituent assembly.

The assembly will convene in October to discuss the draft constitution. But Suu Kyi criticized the junta for severely restricting open debate of the new constitution, saying a constitution must be drawn up in dialogue with the people to reflect their views.

On the resumption of Japanese loans to the Southeast Asian country, Suu Kyi reiterated her warnings against hasty decisions in response to her release.

"Japanese Government aid should be gradual and conditional. I want to be absolutely certain that it is really

in keeping with the process of democratization, that the pace is strictly in keeping with the democratization," she said.

Japan was Myanmar's largest donor in the past, extending about 250 million dollars in loans annually. Financial assistance was suspended following the military coup, but aid for ongoing projects was resumed in February 1989.

Suu Kyi said no other political prisoners have been freed since her own detention ended July 10.

But noting that the release of political dissidents who should not have been detained in the first place represents only a small step forward, she said the real yardstick for democratic progress will be the realization of "meaningful" dialogue with the junta.

She also said the junta's open-door policy to foreign investors is benefitting only a small minority and widening the gap between the few rich and the poor masses, who suffer as prices soar.

In the "most important" areas of education and medical care there has been no improvement, she said.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Doubts Effectiveness of Bosnia Agreement

BK0909134195 Kuala Lumpur RTM Television
Network 1 in Malay 9 Sep GMT 9 Sep 95

[FBIS Translated Excerpt] Prime Minister Datuk Sri Dr. Mahathir Mohamed has said that the latest peace agreement on the future status of Bosnia is not a guarantee that the Serbs will stop their aggression. The people of Bosnia are still living in fear as long as they do not have the ability to defend themselves.

[Begin Mahathir recording] Even though the Bosnian Muslims have agreed to the accord, giving 49 percent of Bosnia for the Serbs is a reward to the aggressors. Although the United Nations says that you should not reward aggressors [five preceding words in English], we now see that they are indeed willing to reward the aggressors by giving them land. We know that previously the Serbs did not have much land — only 30 percent of the total area. [end recording] [passage omitted on meeting between the foreign ministers of Bosnia, Croatia, and Serbia in Geneva yesterday]

Dr. Mahathir is also doubtful about the durability of the agreement.

[Begin Mahathir recording] Perhaps the situation is peaceful for the time being, but as long as the Bosnians are not able to defend themselves, they will live in fear

and there is no guarantee that the Serbs will not attack them again. [end recording]

Mahathir Views GSP Status Withdrawal by U.S.

BK0909142395 Kuala Lumpur RTM Television
Network 1 in Malay 1200 GMT 9 Sep 95

[FBIS Translated Text] Malaysia considers the U.S. withdrawal of the trade privileges under the Generalized System of Preferences, GSP, as discrimination.

Prime Minister Datuk Sri Dr. Mahathir Mohamed has reiterated that Kuala Lumpur will not ask to continue enjoying the privileges, but it wants to know the reasons for the withdrawal.

[Begin Mahathir recording] The United States always says that it is sincere, honest, and fair. However, it is now obvious that we are being discriminated against. The U.S. withdraws its GSP status to some countries only after they have attained a per capita income of up to 16,000 [currency not further specified]. Malaysia's per capita income is only 3,500 and has not reached the cut-off point of 8,000; yet the GSP status given to it has been withdrawn. So we would like to ask the reasons for the discrimination shown toward us. [passage omitted]

Responding to a question on the impact of the GSP withdrawal, Dr. Mahathir said:

[Begin Mahathir recording] Yes... more or less it has an impact on our trade, but we should be competitive even though we have no more privileges. [end recording]

Mahathir Views Decision on French Goods Boycott

BK1009141495 Kuala Lumpur THE STAR in English
9 Sep 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur—Malaysia has not decided whether to boycott French goods in protest against France's resumption of nuclear testing in the South Pacific, Datuk Sri Dr Mahathir Mohamed said yesterday.

"We have not decided whether to do what some other countries are doing. We must realise that sometimes when we took such measures, others did not," he said.

The Prime Minister criticised European nations for not being firm with France.

"If it (the nuclear test) had been done in Europe, I am sure France's neighbours including Germany and Switzerland would have reacted strongly.

"They are keeping quiet just because the act was conducted in another region," he told reporters after presenting the Industry Excellence Awards 1995 here.

The Prime Minister said the West was practising double standards; they were the ones that kept harping about morality and human rights and were imposing their values on other smaller nations.

"If you look at the way the French police treated anti-nuclear protesters in Papeete, their behaviour was inhuman," he added.

Dr Mahathir, meanwhile, said Malaysia was proud to have been chosen again to host nuclear talks, this time between North Korea and the United States-led international consortium KEDO.

He said US President Bill Clinton had written to him, thanking Malaysia for bringing the two nations together in May this year.

Mahathir Urges Students To Use Internet Wisely

BK1109095095 Kuala Lumpur THE STAR in English 11 Sep 95

[Received via Internet]

[FBIS Transcribed Text] Kuala Lumpur—Datuk Sri Dr Mahathir Mohamed said it was up to the users of Internet to make their own judgment on what is good and bad.

He said Malaysia had no choice but to indulge in information technology, including the Internet, if it wanted to keep pace with global development. The Prime Minister said although negative elements were available to Internet users, banning it would only deprive Malaysians of the opportunity to increase their knowledge. "Internet allows users access to global information and such knowledge is vital for a nation striving to become developed. "If you want pornographic literature, you can, but at the end of the day, you gain nothing in knowledge," Dr Mahathir said during a dialogue with Malaysian Students Executive Council from the United Kingdom yesterday.

Commentary Notes Joint Commission With SRV

BK0809144795 Kuala Lumpur Voice of Malaysia in English 0810 GMT 8 Sep 95

[Station commentary]

[FBIS Transcribed Text] The three-day Joint Committee Meeting, JCM, between Malaysia and Vietnam has reaffirmed the determination of the two countries to take up cooperative relations to a higher stage of development. The meeting, which ended yesterday, was capped by the signing of a memorandum of understanding to set up a joint commission for bilateral cooperation. This augurs well for the further enhancement of the fast-improving ties between Kuala Lumpur and Hanoi.

The commission will meet at least once a year to review progress and to map out new strategies for economic cooperation. The signing of the agreement on the avoidance of double taxation is a step in the right direction in boosting business ties.

Vietnam is fast emerging as an economy to watch. It is slowly coming to terms with the rudiments of a capitalist economy. No doubt the road ahead towards economic success will be filled with obstacles. The Vietnamese are well-placed to ride it out smoothly. A telling factor for Vietnam's economic resurgence will surely be supported by regional economies and Malaysia has played a significant role in helping Vietnam to get back on its feet after years of being ravaged by war. This is evident by increasing Malaysian investments in that country and that in 1994 total Malaysian investment commitments in Vietnam amounted to RM1.5 billion [Malaysian currency]. This makes the 7th largest foreign investor there. [sentence as received] However, there is a lot more potential in Vietnam. Realizing this, Malaysian private sector has been urged by the government to undertake reverse investments in the Indochinese country.

In the first seven months of this year alone, the Malaysian private sector has secured more investment licenses, with investment commitments of about RM199.2 million. Two-way visits have also increased. More and more Vietnamese are visiting while the number of courses offered and study visits have also risen in tandem.

Realizing that Vietnam's economy still needs a helping hand, Malaysia is ready to share its experience and expertise in economic developments. Malaysia strongly believes that a developed Vietnam will provide the synergies for growth for mutual benefit and as well as the Asia region at large. It is important here that both parties strive to diversify trade and investment linkages through as many areas as possible. As for Vietnam, it is crucial it perseveres to create favorable conditions for investments especially in petroleum, infrastructure and tourism.

There is no denying that Vietnam has improved its investment environment since first opening up business to noncommunist countries in 1988. Nevertheless, some problem areas do exist. It still lacks a complete set of laws to protect investors while its approval process can be cumbersome. A constant dialogue and meetings with successful economies like Malaysia can help to put it on the right track towards becoming a fast, progressive and receptive economy. All it needs now is a little help and a little time.

Cambodia

Sihanouk To Go for Medical Checkup 16 Sep

BK0809143595 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 8 Sep 95

[FBIS Translated Text] His Majesty King Norodom Sihanouk of Cambodia this morning said he will leave for Beijing, PRC, on 16 September to let Chinese doctors check his health. [passage indistinct]

The king said that, on doctors' orders, he will have to stay in hospital for 10 days, after which he will spend another 10 days recovering at his residence in Beijing.

Paper Prepares Foreign Minister's Trip to SRV

BK0909103595 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Sep 95 p 2

[FBIS Translated Text] Ing Huot, Cambodian minister of foreign affairs and international cooperation, who returned from an official trip to Malaysia on 7 September, will lead a Cambodian delegation to visit Vietnam on 8 September to attend the first meeting of the joint Cambodia-Vietnam commission for bilateral cooperation.

The delegation includes Trade Minister Cham Prasit, Agriculture Minister Tav Senghuo, the state secretary of the Interior Ministry, the under state secretary of the Education Ministry, and representatives of the Cambodian Ministry of Public Works and Transport and of the Industry Ministry. The talks will be held in Hanoi on 8-10 September.

According to a Foreign Affairs Ministry communique, the joint commission for bilateral cooperation was set up on 19 July 1994 following Vietnamese Prime Minister Vo Van Kiet's official friendship visit to Cambodia on 2-3 April.

According to the Foreign Ministry official, the subject of the talks will be related to Cambodia's proposal to buy electricity from Vietnam to supply provinces in eastern Cambodia and to reaching a new agreement on the transit of sea freight across the Mekong River; this issue was the subject of a conflict last year when Vietnam prevented Cambodian ships from coming in.

Another major issue to be discussed is immigration regarding the implementation of Cambodia's immigration law, which has been delayed because it could affect Vietnamese settlers currently in Cambodia, the number of which is estimated at around 500,000. It is expected that the talks on immigration will be general in nature and should lead to the establishment of a joint technical committee to resolve this problem.

Cambodia and Vietnam have been striving to restore relations since the Paris agreement in 1991, and the two countries' governments have consolidated and expanded these relations through the establishment of a joint commission following the Vietnamese prime minister's visit in April 1994.

It is still remembered that there was also a private meeting between Prince Krompreah Norodom Ranariddh and Vo Van Kiet in April of 1994 in Dalat, Vietnam, which resulted in the official visit to Cambodia by Vietnamese President Le Duc Anh in August 1995. Le Duc Anh brought 1,800 tons of rice to His Majesty, the Cambodian king, to be distributed to flood and drought victims in 1994. King Sihanouk agreed at that time to accept Le Duc Anh's invitation to visit Vietnam in December.

CDC Blamed for Development Project Delays

BK0909130995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 9 Sep 95 p 4

[FBIS Translated Excerpt] Many investors who are doing business with the Khmer Royal Armed Forces [KRAF] are very upset by the actions of the Cambodian Development Council, CDC, that make things very complicated for their investments.

The General Staff Office has thus far agreed to provide land to 20 major local and foreign companies.

Among the 20 companies, however, only one has been given approval, in principle, by the CDC. Nothing has been heard for months about the other 19 proposals, which have remained unanswered.

It is known that the Stoeng Chral development center near Kirirom and the Kdan Roy development center near Thmat Pong are big centers. The Royal Government has allocated nearly 200,000 hectares of land to the General Staff Office for the KRAF's development purposes. [passage omitted on plan to develop the area in different stages].

A military official at the General Staff Office said that work being performed roughly 90 kilometers from Phnom Penh to clear a vast area along both sides of Route 4 from Sre Khlong to Stoeng Chral and around Kirirom hill, an area of about 30 kilometers, has been completed at a cost of thousands of dollars. There is nothing, therefore, to hinder the work. Agricultural crops will be planted in a few days, despite the fact that the CDC has not decided, in principle, because this is a KRAF development project that has already been acknowledged by the head of the government.

The same source also revealed that investment projects are approved or delayed depending on whether investors

are close to or get along with the CDC. In other words, a kickback under the table is needed for a project to be approved quickly. [passage omitted recalling remark by CDC General Secretary It Vichet that all investment projects will be dealt within 45 days]

Policemen, Militiamen Deserting Battlefields

BK0909131495 Phnom Penh REAKSMEI

KAMPUCHEA in Cambodian 9 Sep 95 p 11

[FBIS Translated Excerpt] An official from the Pursat Provincial Police has reported that 40 policemen fled to the rear of the battlefield on the morning of 5 September after being dispatched to protect the railroad in Krakor District, which adjoins Kompong Chhnang Province.

Pen Lun, Pursat Province deputy police chief, said that 312 policemen were sent in August to protect the railroad at Kamreng and Bamnak stations in Krakor District, where Khmer Rouge rebels have launched frequent attacks to disrupt the railroad.

However, 40 policemen fled. Pen Lun said this is because these men have faced problems. They lack adequate food supplies and shelter now that rainy season is in full swing. Furthermore, the majority of these deserters are new staff who have never encountered battlefield hardship.

There have also been reports from Krakor District saying that a number of militiamen who were dispatched to assist in protecting the railroad have also deserted. [passage omitted citing the second deputy governor of Pursat Province promising assistance to policemen in their assignment].

Rebels Issue Warning to Australian Advisers

BK1109042495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 10 Sep 95

[FBIS Translated Text] Of late, a group of Australian advisers — the arch criminals who are doing away with the Cambodian nation, people, and race — personally rushed to the battlefields in north Cambodia to order a group of the two heads who had been repeatedly defeated to map out new plans.

The two-heads have been shamefully defeated many times in their plans to retake An Seh base from the National Army of Democratic Kampuchea [NADK]. The Australian advisers came to order the two-heads to try to reopen Route 12, which has been totally cut off by the NADK since June. The blockage has prevented them from shipping food supplies, ammunition, and weapons that are needed to sustain the entire northern battlefield.

The two-headed soldiers who have been deprived of food, ammunition, and medicine have risen up and fled the battlefields in entire units or groups in an unrestrained manner.

On other battlefields, like Route 5, south Battambang, and the Kompong Chhnang-Pursat railway line, the two heads are also choked and are agonizing at this point in time.

Given the situation where the two-heads are suffering a total defeat, the efforts to shore them up by the Australians and other long-nosed guys are of no avail. So it is better for you to go away. Beware of being killed and leaving your remains here. The Cambodian people cannot be held responsible for that.

Rebels Reject Border Treaties With Vietnam

BK1109012295 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 9 Sep 95

[FBIS Translated Text] The Provisional National Committee to Oversee the Sovereignty and Territorial Integrity of Cambodia [PNCOSTIC] still remembers well that the communist Vietnamese drafted many border agreements and treaties for their puppets to sign after invading Cambodia. These agreements and treaties include:

I. The treaty for communist Vietnam to grab Cambodia's territory, dated 7 July 1982—their so-called historic boundaries—between Vietnam and the State of Cambodia [SoC].

II. The treaty to dismantle the Cambodian border to turn Cambodia into Vietnamese territory. The communist Vietnamese and their puppets call this the treaty of no border between Vietnam and the SoC, dated 27 December 1985.

From 1993 until today, the two-heads put together by UNTAC [UN Transitional Authority in Cambodia], aggressor communist Vietnam, and the alliance have maintained all these treaties.

Through these treaties, the aggressor communist Vietnamese have seized Cambodian territory at will. For example, in Ratanakiri Province, the aggressor communist Vietnamese have seized Cambodian territory as deep as 50 kilometers inside our border, that is, as far as O Dambok, O (Ka Pha), and O Tang. The Vietnamese have also grabbed a large part of Cambodian territory in Mondolkiri, Kratie, Kompong Cham, Prey Veng, Svay Rieng, Kandal, Takeo, Kampot, and Koh Kong Provinces and on the seas and islands.

All these border treaties and agreements are still effective. They also remain a threat to Cambodia of the loss of land and sea territory.

The PNCOSTIC is duty-bound to join with all national forces, including Khieu Samphan's Provisional Government of National Union and National Salvation, in defending and preserving Cambodia's sovereignty and territorial integrity.

The PNCOSTIC:

1. Firmly demands that the two-heads officially declare null and void all the border agreements and treaties that the communist Vietnamese have drawn up for their puppets to sign.

2. Resolutely opposes and rejects the farce of border negotiations between communist Vietnam and the two-heads organized by communist Vietnam for serving its strategy of territorial expansion and the annexation of Cambodia.

All the Cambodian territories grabbed by communist Vietnam must be returned to Cambodia.

The PNCOSTIC would like to recall the fact that Cambodia has a clear border line, which has been recognized internationally all along. That is, the border as defined in the 1:100,000 map used between 1963 and 1969.

[Dated] 3 August 1995

[Signed] The Provisional National Committee to Oversee the Sovereignty and Territorial Integrity of Cambodia

Indonesia

Military Reportedly on State of Alert

LD0809143795 Melbourne Radio Australia in English 1300 GMT 8 Sep 95

[FBIS Transcribed Text] The Indonesian military has been put on a state of alert for increased activity by communists and other leftist groups. The Armed Forces commander, General Feisal Tanjung, told the state-run ANTARA News Agency that the rise in subversive activities sparked a need for intensified surveillance by local military commanders. Gen. Tanjung said there had been signs of increased activity by leftist groups across Indonesia. The Indonesian Government outlawed the Indonesian Communist Party, or PKI, 30 years ago after a failed coup attempt.

Police Break Up East Timor Demonstrations

BK0809123595 Hong Kong AFP in English 0843 GMT 8 Sep 95

[FBIS Transcribed Text] Dili, East Timor, Sept 8 (AFP) — Anti-riot police used tear gas and batons to break up demonstrations Friday by hundreds of youths in Dili, East Timor, over a Muslim's alleged insulting remarks about Roman Catholicism, witnesses said.

Scores of mainly high-school students carried out rowdy protests in at least six places in and around Dili, capital of the former Portuguese colony, the witnesses said.

They stopped cars and motorcyclists in several main streets looking for Muslims and harassing them, they said. One motorcycle was set on fire at a local shopping centre.

Anti-riot police backed by troops broke up demonstrations at three places, including East Timor University, using tear gas and batons. Several protectors were injured, witnesses said. The situation was still tense in three other places, including outside the diocesan premises.

An officer at the East Timor police headquarters, who only identified himself as Mance, dismissed the protests as "just normal, with schoolchildren wanting to make some noises." He said there had been no violence or any arrests.

But sources in Dili quoted witnesses as having seen at least two police cars ferrying youths in high school uniforms to the police station.

The students were protesting insults to Roman Catholicism, the predominant religion in East Timor, allegedly made by an inmate at Maliana prison 73 kilometers (45 miles) southwest of here.

The prisoner, named as Sanusi Abubakar, allegedly called Catholicism a "nonsense" religion, insulted the Virgin Mary and questioned the virgin birth. Twenty six people at the prison, wardens and inmates, issued a handwritten statement confirming the prisoner's insults.

The remarks had already sparked protests in the towns of Maliana and Viqueque earlier this week.

The protest in Viqueque, some 107 kilometres (67 miles) southeast of Dili, on Thursday, left 25 market stalls and four places of worship damaged, officials there said.

Security forces have temporarily closed down several streets in Dili to circulation, witnesses said.

The students, from at least six high schools, both private and state-owned in and around Dili, were circulating

copies of the statement signed by the inmates and jail wardens testifying to the insult by an "oknum" (an individual), a term usually referring to a member of the military.

Indonesia, the world's largest Muslim populated nation, annexed the predominantly Roman Catholic East Timor in 1976.

'Dozens' Arrested in Last 24 Hours

LD1009202795 Lisbon RTP Internacional Television in Portuguese 1800 GMT 10 Sep 95

[FBIS Translated Text] The situation in East Timor is explosive. In the last 24 hours the police have arrested dozens of youths and the streets of Dili are being patrolled by hundreds of soldiers.

Three Timorese have died, and 12 people are in hospital as a result of the clashes of the last few days. Four people are in serious condition.

The clashes have spread to other areas of the territory. It all started with reports that Indonesia was planning to destroy the Catholic church in Timor.

Bishop Regrets Rioting

BK1009133295 Jakarta ANTARA in Indonesian 1715 GMT 9 Sep 95

[FBIS Translated Excerpt] Dili, 9 Sep (ANTARA)—Monsignor Carlos Filipe Ximenes Belo, the highest Roman Catholic leader in East Timor, has regretted the outbreak of violent and destructive acts in the area.

"Catholic teachings absolutely do not approve of violent and destructive acts," he said in a statement as he attended a ceremony to mark the 50th founding anniversary of Balide Church in east Dili during the afternoon of 8 September.

Bishop Belo had first-hand experience of the impacts of rioting in Dili on 9 September when the car he was riding in was obstructed by burning tires along the streets in Becora, east Dili. The bishop was on his way to perform mass at the Uatolari subdistrict in Viqueque district.

Speaking in Denpasar during the evening of 9 September, Major General Adang Rukhiatna, commander of the Udayana 9th Regional Military Command, expressed his deep appreciation to Bishop Belo for the latter's regret and apology over the riotings in Dili and other towns in East Timor. [passage omitted on details of rioting]

Commander Promises Action

LD0909112795 Melbourne Radio Australia in English 0900 GMT 9 Sep 95

[FBIS Transcribed Text] The Indonesian military commander responsible for East Timor has promised action against an official whose comments attacking the Roman Catholic church sparked a riot yesterday. Major General Adang Ruchiatna says measures will be taken to censure the official who is alleged to have called Catholicism a nonsense religion and insulted the Virgin Mary. The official has been arrested, and General Ruchiatna says he will be held responsible for his actions. The military chief says action will also be taken against troublemakers who encouraged the rioters. General Ruchiatna said those involved in the protests will be investigated, and they will be called to account. In the violent demonstrations in Dili yesterday by hundreds of youths, mostly high school students, a major market was reportedly destroyed by fire. Sources close to the Indonesian military say 52 high school students have been detained for questioning.

Chief of Staff Appoints New East Timor Commander

BK1109093495 Jakarta ANTARA in Indonesian 0459 GMT 11 Sep 95

[FBIS Translated Excerpt] Denpasar, 11 Sep (ANTARA) — General R. Hartono, the Indonesian Army chief of staff, has reminded armed forces personnel to be quick to anticipate moves by certain groups that will take advantage of the era of openness to exploit weaknesses in development and highlight social disparity to weaken national stability.

"ABRI [Armed Forces of the Republic of Indonesia] will not tolerate any attempt to disrupt the national unity and cohesion that has been established by all Indonesians," Gen. R. Hartono said as he appointed Major Gen. H.A. Rivai commander of the 9th Udayana Military Command. He assumed the post from Maj. Gen. R. Adang Ruchiatna in Denpasar on Monday.

Gen. R. Hartono reiterated that ABRI will not allow the Indonesian nation's hardship and struggle to be spoiled by a small group of people seeking to fulfill their political ambitions.

"Do not hesitate to react when it is necessary to protect our national integrity. Always obey existing regulations and procedures," Gen. R. Hartono added.

He said that the 9th Udayana Military Command — in charge of an area covering the provinces of Bali, West Nusa Tenggara, East Nusa Tenggara, and East Timor — should continue to be creative and improve the quality

of its performance and the discipline of its personnel.
[passage omitted on social conditions in the region]

Maj. Gen. H.A. Rivai was formerly commandant of the Infantry Artillery Center. Maj. Gen. R. Adang Ruchiatna will become commandant of the Army's Territorial Cantonment.

Irian Jaya Commander Discusses Insurgency

*BK1109091095 Jakarta SUARA PEMBARUAN
in Indonesian 9 Sep 95 p 6*

[FBIS Translated Excerpt] Bandung, 9 Sep — Major General I. Ketut Wardhana, the Trikora regional commander, has said the strength and weaponry of the GPK [security disturbance movement] in Irian Jaya can generally be determined. Their strength, including poorly-armed underground faction members, is estimated at 100 but is still considered a threat to local residents.

This is the latest account given by the Trikora commander regarding the security situation in his region. Reporters asked him about the issue as he took a break after attending a national seminar at ABRI's [Armed Forces of the Republic of Indonesia] Commando Training School in Bandung on Friday (8 September).

I. Ketut Wardhana said: "We already know their strength. The number of GPK members, including underground forces, is around 100. They are armed with just eight firearms. Even though the number of firearms is limited, their acts of terrorism still pose a threat to numerous residents."

The GPK and its underground members are spread over Irian Jaya's territory. It is estimated that there are about 60-70 in Timika District and Fakfak Regency.

As such, ABRI's Trikora Regional Command is constantly vigilant and is taking security precautions in the region to anticipate any act of terrorism that may occur.

According to the regional commander, there are indications that the GPK and its underground faction are receiving political support from certain countries. A number of foreigners acknowledge the GPK's existence and its underground faction in Timika District.

Regarding the alleged human rights abuses purportedly carried out by some uniformed officials in Timika District, I. Ketut Wardhana said his officials are investigating the alleged abuses. A fact-finding team from the Trikora Regional Command has compiled some data in the places where the abuses occurred. Consequently, a fact-finding team from ABRI Headquarters also conducted an investigation into the alleged human rights abuses. In principle, a more accurate evaluation can be

made of the human rights abuses if more data is collected.

Continuing, he said the ABRI Regional Command has compiled data collected by a 10-member security team that was either directly involved in or eyewitness to the incidents in Timika District. It remains unknown if any security official was really involved in human right abuses. [passage omitted on Irian Jaya residents attending a function in Jakarta]

Thailand

Banhan Stands Firm as EGAT Protest Looms

*BK1109061095 Bangkok THE NATION in English
11 Sep 95 pp A1,A2*

[FBIS Transcribed Text] Premier Banhan Sinlapa-acha said yesterday his government could not retreat further in the row with Electricity Generating Authority of Thailand [Egat] workers, who insist on a revamp of the new Egat board and have rejected a government compromise, an informed source said.

With Egat workers set to hold a nationwide protest, the government's biggest crisis is expected to escalate if the prime minister fails to soften the administration's stance in his meeting today with Social Action Party leader Montri Phongphanit and Social Action's PM's [Prime Minister's] Office Minister Rakkiat Sukthana, who oversees Egat.

The labour campaign against the purge of the old Egat board and its controversial replacement has already snowballed into a vociferous demand for the ouster of Rakkiat, who last week fuelled the conflict by describing Thailand's biggest state enterprise as a "twilight zone".

Today Egat workers will be shown a video tape of interviews by Rakkiat and Deputy Prime Minister Samak Sunthorawet (Prachakon Thai) who have strongly lashed out at their agency. Copies of the tape will also be sent to many provincial offices of Egat.

The source quoted Banhan as saying that the government had compromised enough by agreeing to change four members of the new board. Backed by the State Enterprise Relations Group, the umbrella organization for workers at state enterprises, the Egat employees are demanding the removal of the entire the new panel, and representation on the board.

"The government has begun to feel that Egat workers are taking advantage of the situation by amplifying their demands," the source said.

The Egat labour association threatened to call a mass demonstration today and tomorrow to press for the

workers' demand for the new board to be replaced by members who are all acceptable to the employees.

The labour movement has sent unclear signals as to whether the demonstration of discontent could turn into a work slowdown or partial strike by tens of thousands of Egat workers in all parts of the country. To strike would be illegal under a post-coup legal amendment of 1991.

"Egat workers will gather to express their opposition to the new board during the lunch break, which is not a strike," said Somchai Punnalak, an Egat labour representative. But gatherings have apparently been arranged to take place simultaneously all across the country.

The demonstration will continue and may even be intensified tomorrow when the Cabinet holds its weekly meeting.

"Holding talks in a meeting room hasn't worked. We want to convince the government that we are serious," said Somchai.

To pacify the labour movement the government has proposed appointing to the board: Akkharathon Chularat, deputy secretary-general of the Juridical Council; Kasem Sanitwong, permanent secretary for science and technology; and Siwawong Changkhasiri, permanent secretary for industry, sources said.

They were expected to replace Phiset Loetwilai of Siam Oxydental Electrochemical, which has connections with Banhan; Banlu Chanthadisai, president of Asia Credit; and Chirayu Itsarangkun Na Ayutthaya, director of the Crown Property Bureau who survived the purge but resigned from the new board.

The source said Banhan agreed to change another board member and bring in a representative of the National Economic and Social Development Board. The prime minister also reportedly agreed to change the new Egat board chairman from Likhit Thoetsathirasak to Siwawong.

Somchai claimed that the compromise proposal was not enough because Egat workers found that "none of the present board members" were acceptable.

He added that one current board member could have been appointed in violation of the law because he was a finance and securities executive whose firm used to bid for Egat projects. The law prohibits intertwined business interests between Egat and its board members.

Senior SAP members yesterday played down calls for the government to relieve Rakkiat of his authority over Egat. Rakkiat "has worked for just two months and has

not done anything wrong," said Deputy Communications Minister Somsak Thepsuthin.

Deputy Commerce Minister Phairot Suwannchawi of the Chat Thai Party also defended Rakkiat and challenged the opposition to take advantage of the rising cost of living and the Egat controversy by launching a censure motion.

"If you can only be a rubber stamp or paper tiger, you'd better not be a minister," said Phairot.

The opposition, meanwhile, said it was closely watching the situation.

"When the time comes, we will do it (censure the government) whether there is a challenge or not," said Kon Theppharangsi, deputy leader of the Chat Phatthana Party.

Finance Minister Views Outcome of AFTA Meeting

*BK0909101695 Bangkok BANGKOK POST
in English 9 Sep 95 p 24*

[FBIS Transcribed Text] Finance Minister Surakiat Sathianthai insisted Thailand had been successful at the AFTA [ASEAN Free Trade Area] Council meeting despite being put under heavy pressure on certain issues.

At a press conference at Don Muang airport on his return from Brunei, Dr Surakiat said many issues discussed at the meeting were chronic problems that could not be settled at the senior official meeting level.

Thailand had had to lobby other ASEAN ministers to prevent the rolling back of previous achievements, he added.

He said many concrete benefits were also realised at the talks.

First, the Philippines, which had wanted to exclude rice from the CEPT [Common Effective Preferential Tariff] tax framework, agreed to let it remain. The Philippines had earlier claimed that rice was a sensitive commodity that could affect the country's stability.

Thailand pushed the Philippines, both formally and informally, to reach that final decision. The sensitive list under the CEPT framework includes a special arrangement allowing the Philippines to gradually cut rice import taxes.

Second, at the beginning of the talks, Indonesia had proposed moving 14 items from the temporary exclusion list (TEL) to the sensitive list—the list that accords goods the most protection. However, Indonesia finally agreed in principle to let the 14 items remain on the TEL list.

Dr Surakiat said members of the Thai delegation had explained to their Indonesian counterparts that no free trade zone would allow for the transfer of goods from a place on a freer list to a place on a stricter list.

Third, Malaysia wanted to move wood pieces and tobacco from the TEL list to the Exclusion List but was persuaded not to do so.

Thailand unofficially lobbied Malaysia's Trade and Industry Minister Rafidah Aziz who agreed not to raise the issue at the meeting.

Dr Surakiat said Thailand had had to exert a lot of energy to ensure that other countries did not try to change ASEAN rules. He attributed the meeting's success to the three involved ministries-Finance Commerce and Industry-saying they had done their homework thoroughly.

However, Thailand had had to make concessions to benefit others, he said.

One issue of concern was how textiles could be put on the tax cut list.

The substantial transformation method was proposed to deal with this issue. Under this method, if goods underwent significant physical changes they could be considered to have originated in ASEAN. The previous proposed method relied on 40% local content.

Thailand strongly supported the right of industry leader Indonesia to adopt either method provided it gave prior notice. Once a decision was taken, it must be applied for good.

In exchange for this support, Indonesia sided with Thailand on agricultural issues, Dr Surakiat said.

Police Keeping 'Close Watch' on Burmese Students

BK1009135795 Bangkok THE SUNDAY POST in English 10 Sep 95 p 3

[FBIS Transcribed Text] Special Branch police have been keeping a close watch on a group of exiled Burmese students who prefer violent means to oppose Rangoon, Special Branch Bureau commissioner Wira Wisuthikun said yesterday.

Pol Lt-Gen [Police Lieutenant General] Wira made the comment in the wake of police reports that Burmese dissident students would possibly engage in violent means to oppose the Rangoon government in order to push for political reform following the release of Burma pro-democracy leader Aung San Suu Kyi.

If their move is not within the framework of Thai law, Special Branch police will take action against those students, the commissioner warned.

Earlier, Thai authorities arrested several Burmese students after they tried to sneak out of Maniloi Safe Area in Rat Buri's Pak Tho District earlier this year to stage political activities on Thai soil, noted Pol Lt-Gen Wira, adding that those dissents are now temporarily detained at Bang Khen Prison.

Police officers will keep a tighter rein on political activities conducted by the Burmese students, said Pol Lt-Gen Wira.

"Regardless of whether they are Burmese or other nationals, they are not allowed to use our territory to stir up political trouble against their governments" stressed Pol Lt-Gen Wira.

Meanwhile, there were reports that various Burmese democratic groups whose bases are in Bangkok, have been preparing to stage a demonstration in front of the Burmese Embassy on September 18, which marks the seventh anniversary of the seizure of power in Burma by the junta known as the State Law and Order Restoration Council (SLORC).

The All Burma Basic Education Students's Union (ABBESU) and Action Group for Human Rights (AGHRB), which reportedly headed the groups, would call on a meeting with their allies on September 17, before staging a protest.

Commenting on this matter, a Burmese student, who declined to be named, said there are different views on the protest strategy among the Overseas National Students' Organization (ONSOB) and the AGHRB.

The ONSOB, said the student, wanted to employ a non-violent means, but the AGHRB insisted on violence.

As a result, the meeting with all groups had to be held to work out a resolution on the protest strategy, said the Burmese student.

Army Seeks To Buy Decommissioned Tanks From U.S.

BK0909103095 Bangkok THE NATION in English 9 Sep 95 pp A1, 3

[FBIS Transcribed Text] The Army is seeking [baht] Bt1.776 billion for the purchase of 101 decommissioned M60 A3 battle tanks from the United States, a well-informed source said yesterday.

The Government House source said the Defence Ministry would forward the request to the Cabinet for consideration at its weekly meeting on Tuesday.

It had already been listed as a possible topic on the agenda, the source said.

If approved, the purchase would be included in the budget commitment over four fiscal years, starting with 1995-96.

The Budget Bureau and Finance Ministry had agreed to cost-spread, the source said, but the Foreign and Commerce ministries had reminded the Defence Ministry that the deal should be made within the provisions the counter-trade policy previously set by Cabinet resolution.

The resolution, reconfirmed on June 6, requires that any military purchase costing more than Bt1 billion involve counter-trade.

However, the source said counter-trade could pose a problem in the case of the M60 tanks because the US government argued that the weapons had been offered at a very special price under the foreign military sales programme. The source said the US would not be happy with countertrade for equipment sold under the programme.

The quoted price for the tanks was for US\$69,679,043 or Bt1,776,815.596.

The first payment of Bt511.25 million would come from the fiscal reserve and would be considered a nonfiscal item.

The rest of the installments would be committed through the 1998 fiscal year—Bt699.99 million in 1996, Bt499.99 million in 1997 and Bt65.56 million in 1998.

The Army argued that only 157 of its 287 M41 A3 tanks, which had been in use for over 30 years, were still operational, the source said. The others were beyond repair.

The Army said the M60 tanks had been decommissioned from some Asian and European countries and the US government offered to repair and sell them to Thailand at a very special price.

The Defence Ministry suggested in its opinion attached to the request that the purchase was necessary to ensure Thai military strength remained on par with neighbouring countries.

Vietnam

Cambodian Foreign Minister Arrives for Talks

*BK1009140995 Hanoi Voice of Vietnam in English
1000 GMT 8 Sep 95*

[FBIS Transcribed Text] The Cambodian foreign minister is now in Vietnam to attend the first meeting of the Joint Committee on Bilateral Cooperation. Mr. Ing Huot will then visit Cuba, Canada, and the United States.

In October, the Cambodian foreign minister will accompany Prime Minister Hun Sen to attend the Nonaligned Summit to be held in Colombia.

Cambodia Cooperation Commission Meets

*BK1009154595 Hanoi VNA in English
1445 GMT 10 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept. 10—The first session of the Vietnam-Cambodia Joint Commission for Economic, Scientific and Technological Cooperation was held here from September 8-10 under the co-chairmanship of Foreign Minister Nguyen Manh Cam and his Cambodian counterpart, Mr. Ing Huot.

At the session, the two sides reviewed the implementation of the agreement reached between their high-level leaders and the accords signed between the two countries in recent years. They compared notes on orientations and concrete measures to further promote their neighborliness and mutually beneficial cooperation in the fields of economic development, trade, agriculture, forestry, fishery, transport, finance, post and telecommunications, training and education, culture and information, and tourism and others.

The two sides highlighted the important significance of the recent exchange of visits by President Le Duc Anh and Prime Minister Vo Van Kiet, and Cambodia's Co-Prime Ministers Norodom Ranariddh and Hun Sen, and the forthcoming Vietnam visit by King Norodom Sihanouk.

They highly valued Vietnam's full membership and Cambodia's observer of ASEAN, which would create new opportunities for cooperation between the two countries.

The two delegations agreed to increase the number of meetings of different levels and branches between the two countries in order to step up their bilateral cooperation and solve outstanding issues in the spirit of mutual understanding.

The meeting agreed that the two countries's groups of border experts will be held in the fourth quarter of 1995, and the third session of their working groups at expert level on Vietnamese nationals will be expected in October in Phnom Penh.

On this occasion, the two sides sealed an agreement on tourism cooperation, and a protocol on education cooperation in the 1996-2000 period. Both sides agreed to step up preparation for the early signing of an agreement on air transport, and an agreement on consul, and proceed to negotiate the conclusion of an agreement on road transport.

The next session of the joint commission will be held in Phnom Penh.

AFTA Tariff Reductions To Be Implemented

BK1009144995 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Sep 95

[FBIS Translated Text] Vietnamese Trade Minister Le Van Triet told the ASEAN Ministerial Conference in Brunei recently that Vietnam will, in the near future, provide ASEAN countries with a list of products with low tariff rates to implement the AFTA [ASEAN Free Trade Area].

Beginning in January 1996, Vietnam will begin reducing its tariff rates on the basis of AFTA, and by 2006 it will apply a free trade system on essential goods, which is three years later than other ASEAN countries.

Malaysia To Increase Investment, Exports

BK1109031895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Sep 95

[FBIS Translated Text] Mr. (Hali Ali), Deputy Secretary of the Malaysian foreign ministry informed that at the first session of the SRV-Malaysia Joint Commission on 5 September in Kuala Lumpur, Malaysia will create favorable conditions for Malaysian investors to increase their investment and export into the Vietnamese market. On this occasion, Malaysia and Vietnam will sign a memorandum of understanding on the official establishment of the joint commission and an agreement on avoidance of double taxation.

Intellectual Property Cooperation With Australia

BK1009132995 Hanoi Voice of Vietnam in English 1000 GMT 8 Sep 95

[FBIS Transcribed Text] A memorandum of understanding on cooperation in intellectual property between Vietnam and Australia was signed on Wednesday [6 September]. They agreed to facilitate beneficial cooperation between the two countries in the field of intellectual property and support of economic development of the two countries as well as intellectual property cooperation throughout the region.

The cooperation includes copyright and associated rights, patents, trade mark, design, trade secret, technical expert, computer software, and the impact of technology on intellectual property right.

National Assembly Official Visits Germany

BK1109090095 Hanoi VNA in English 0639 GMT 11 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 11 — The head of the Economy and Budget Commission of the National Assembly, Ly Tai Luan has paid an eight-day working visit to Germany.

While in Germany, Mr. Luan, guest of the head of the Finance Commission of the German Bundestag (National Assembly), paid a courtesy visit to the deputy speaker of the Bundestag, Mr. Hans Ulrich Joseph [name as received], held talks with the Finance and Budget Commissions of the Bundestag, and exchanged views with the state secretaries for finance and the economy. Leaders of the Federal Auditing Department, the Federal Bank, the Credit Inspection Department, the governor of Berlin state, and a number of financial management training centres, were also visited by Luan.

The two sides exchanged information on the socio-economic situation in each country, the activities of the national assemblies and relevant commissions, and policies on financial management, budgets, taxes, credit, banking and currency control. Measures to promote of friendship and cooperation between the Economic and Financial Commissions of the two legislatures were also raised for discussion.

Mr. Luan spoke to the German party about the preferential policy, and the opportunities and priority fields for investment in Vietnam.

The German side welcomed the achievements recorded by the Vietnamese people in their ongoing renovation process.

Progress of Foreign Investment Projects Reported

BK1009100595 Hanoi VNA in English 0544 GMT 10 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 10—More than 1430 foreign projects with a total prescribed capital of USD [U.S. dollar] 16 billion have been licensed since the promulgation of the law on foreign investment in 1988.

The average of size of each project has increased from USD 3.5 million in 1988 to USD 11.7 million in 1995.

These foreign invested projs have provided jobs for 70,000 workhands, 100,000 workers involved in construction, and many others in related services.

Investment and cooperation projects have also improved the capacity of many existing industrial branches of Vietnam. As a result, in 1994, foreign projects alone

produced 35,000 tonnes of steel and steel products, assembled 7,000 cars and 70,000 motorbikes, weaved 25 million metres of fabric, planted 13,500 hectares of forests, and constructed 2,500 hotel rooms of international standard.

Besides, other economic branches such as information and telecommunications, oil and gas exploration and exploitation chemicals, automobile assembly and manufacturing, and industrial crops have already received advanced techniques and technology.

In regard to export products, foreign invested projects accounted for 8.3 percent and 20 percent of the country's total export turnover and industrial products for export respectively. They remitted USD 128 million to the state budget.

Vietnam now has many large foreign investment projects under construction and recent years have seen changes in investment structure towards meeting the requirements of the country's construction and economic development. In the first years of the open-door policy, investment capital focussed on the oil and gas industry (32.2 percent), and tourism (20.6 percent).

To date Vietnam has more than 670 industrial projects (40 percent of the total number of projects) with a combined investment capital of more than USD 5,635 million. They include key projects in oil and gas exploration and exploitation the construction of Trang Kenh, Ha Tien, Nghi Son and Thua Thien-Hue cement factories, the Hai Phong and Thai Nguyen steel rolling mills and car and motorbike assembly plants.

A number of large-scale projects for infrastructure have been developed such as the projects to build the Hiep Phuoc power plant in Nha Be District, the Binh Chanh-Nha Be expressway and five new urban centres on the outskirts of Ho Chi Minh City with other projects in water supply, post and telecommunication and infrastructure for industrial and export processing zones.

In agricultural areas, many projects apply advanced technology in vegetable and fruit cultivation, and plant and process tea, coffee and rubber, while the forestry sector has developed many reforestation projects to supply material for the paper industry.

The distribution of investment projects, excluding oil and gas development, has become more equitable among different regions. Forty eight provinces and cities throughout the country have conducted investment projects with about 84 percent of the total investment capital invested in three key economic zones.

State-run businesses account for 98 percent of the total investment projects, while non-state economic units have only 2 percent, mainly in light industry tourist and hotels.

So far, nearly 800 foreign companies from 49 countries and territories including giant corporations have come to do business in Vietnam. Nineteen countries and territories in the region such as Taiwan, Hong Kong, Japan, Singapore, and South Korea have investments ranging between USD 1,200-2,600 million each and projects in the country with a combined investment of USD 100 million.

US investors with 36 projects valued at USD 555 million ranked eighth in terms of the number of projects.

Up to date, over 200 projects with an investment of USD 949 million or 15 percent of the total registered projects have had their licenses revoked due to the mistaken selection of foreign partners by the Vietnamese side, and the shortage of capital in foreign companies which have entered into joint ventures, thus making them incapable of contributing their share as committed. Another reason for the failure of some of these ventures is Vietnam's inexperience in management in the state-sector.

A general disadvantage of Vietnamese partners in joint ventures is their low ratio of capital contribution, between 25-30 percent on the average, and commonly in the form of the right to use land and workshops with foreign partners having the final word in the working out of decisions for the implementation of investment projects.

Do Muoi Speech Marks Hanoi Radio Anniversary

*BK1109133595 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 6 Sep 95*

[Speech by Do Muoi, general secretary of the Communist Party of Vietnam, at a ceremony to mark the 50th anniversary of the Voice of Vietnam in Hanoi on 6 September — recorded]

[FBIS Translated Text] Dear Comrades: Amid this jovial atmosphere on the 50th anniversary of the Voice of Vietnam [VOV] and the traditional day of the radio and television broadcasting sector, I cordially congratulate you for receiving the Gold Star Order, our government's highest award. This is a great honor that reflects the high esteem in which our party, state, and people hold the great achievements of the national radio service, of which the Voice of Vietnam is the leader.

Realizing the importance of newspapers and broadcasting, Uncle Ho decided to establish the Voice of Vietnam early, soon after our country gained independence. After the birth of the Voice of Vietnam, local radio service

was set up in southern Vietnam and the southern part of central Vietnam, thus beginning the electronic media service in Vietnam.

Despite weak broadcast signals and poor experience in electronic media, the Voice of Vietnam proved a sharp and efficient instrument of our revolution in the early days of the revolution and resistance. It provided a quick and widespread information service to people across the entire country, soldiers on the battlefield, and Vietnamese living overseas. It was a source of great encouragement to enhance our people's spirit, muster their support, and strengthen their confidence in victory. The Voice of Vietnam also made people in the world understand, sympathize with, and support our people's legitimate struggle.

Radio cadres and officials bravely sacrificed themselves in the national liberation undertaking. The attention and guidance of the party and state and the protection and support of the people for the radio service — from the Voice of Vietnam at the central level down to regional radio stations in dangerous combat zones, rural areas, and battlefields — provided extra strength to you, Comrades, in frustrating every enemy conspiracy and action designed to interfere with our broadcast signals, thus establishing a glorious tradition for our radio service.

To continue that tradition and strength as part of the renovation undertaking, the radio service, starting with the Voice of Vietnam, has worked continuously and creatively to apply new techniques, overcome difficulties, and record more achievements. The radio service fully understands that the mass media must fulfill its duty of reflecting party and state policies and improving people's knowledge while at the same time serving as the people's forum. The radio service has gradually improved its content and quality to provide a diversified, multidirectional, quick, correct, and attractive information service. Many new programs have been introduced, attracting the attention of people from all walks of life. Through the radio service, our people enjoy healthy literature and dramas. Music programs have helped maintain our national characteristics while introducing the best of the world's music. The overseas radio service has improved.

Despite the current difficulties and limitations, the radio service has exerted many efforts to renew its technology and transmit better programs. On behalf of the party and state, I heartily commend your achievements, which have contributed considerably to our undertaking of national resistance, construction, and protection and have further glorified our revolution over the last half century.

Dear Comrades, our brothers and sisters in this service have exerted many efforts in the past. Now, with the new demands of the current situation, they must strive to improve the content, programming, and audio quality of our radio service. They must pay attention to overcoming shortcomings and mistakes.

The radio information service has been diversified, but sometimes it lacks depth and does not fully reflect the current undertaking of social and economic renovation. Its reports on different aspects of social issues do not suggest many practical measures to solve them. Some radio programs are still too superficial, simple, and unattractive. The struggle against the reactionary tone is still inadequate. Broadcast technology is not uniform. Radio management is not regular. New requirements arising from the process of moving to industrialization and modernization must still be met in the new situation.

To my knowledge, in recent years the state has tried to increase its budget allocations for the VOV and the broadcasting sector. As a result, Comrades, you have improved the capacity of our radio stations, acquired new and modern equipment to meet broadcasting requirements, increased the number of foreign language programs, broadcast more music programs and newscasts on ultrahigh frequencies, and broadcast more programs for our ethnic minority compatriots.

Given the current national and international situation, the years ahead will be a very important time for the revolutionary undertaking in our country. They will be full of new opportunities and advantages as well as difficulties and challenges. The broadcasting sector remains a very important tool on the vast ideological front because it helps firmly maintain political stability, guide public opinion, smash hostile information, disseminate laws and policies, improve the people's intellectual background, encourage everyone to fulfill socioeconomic development tasks, and so forth, thus accelerating the renovation process and the national industrialization and modernization program.

To fulfill its glorious duty and reach a new stage of development, the broadcasting sector in general and the VOV in particular must continue to make changes for the better; improve its quality; make full use of practical information; and link it to the demands of real life situations, particularly when bringing information to our compatriots in rural and mountainous areas. Continued efforts must be made to ensure that the VOV is the voice of people from all walks of life and reflects the aspirations of broad sections of the population in a timely and accurate manner. More attention must be given to the quality of programs for children and compatriots in high-altitude regions, deep or remote

areas, and former revolutionary bases. It is important to improve the content of programs for foreign listeners and give due attention to the information needs of Vietnamese overseas.

Technology plays an important role in accelerating the modernization of the entire broadcasting sector. The state has worked out an investment plan to bring radio programs to all parts of the country within the next five years. Furthermore, a plan has been formulated to provide information at the grass-roots level and pay attention to compatriots on islands and in high-altitude regions or deep areas as well as to needy peasant households. Because these are major plans, efforts must be made to achieve close coordination and a sense of urgency and avoid wasteful spending. It is necessary to grasp the actual situation in Vietnam firmly, listen attentively to the suggestions of scientists and the people, and follow measures to develop broadcasting technology from now until 2000 and subsequent years.

The aforementioned plans can yield results provided that you, Comrades, make timely plans and investments to train a contingent of cadres that is politically firm, technologically knowledgeable, and highly professional. Steps must be taken to rejuvenate your ranks and train more cadres to ensure continuity.

To fulfill your leading role in a satisfactory manner, Comrades, you must pay special attention to party-building work. A party organization or agency is only pure and firm if the party members forming that party organization or agency take the lead in fulfilling their political tasks, firmly maintain internal unity, show eagerness to learn, make efforts to improve moral standards and acquire new skills and knowledge in all fields, and set an example for others to follow.

Dear Comrades, over the past half century, our people's struggle for national independence, defense, and construction has provided a source of valuable experience. As Uncle Ho said, the VOV and broadcasting sector have contributed their share to that glorious undertaking. Comrades, you have the right to be proud of your contributions. The Gold Star Order that the party and state bestow on the VOV today reminds you of the need to heighten your sense of responsibility and continue making efforts to fulfill the tasks entrusted to you by the party and state and prove yourselves worthy of the people's trust. I would like to share your great joy today and wish you even greater achievements in the fulfillment of your duties.

Prime Minister Addresses Mountain Conference

BK0909150595 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 7 Sep 95

[FBIS Translated Text] Prime Minister Vo Van Kiet and Deputy Prime Ministers Nguyen Khanh and Tran Duc Luong attended a conference in Hanoi from 5-7 September to discuss the development policy for the mountain region. Secretaries of provincial party committees and chairmen of provincial people's committees of the three mountain provinces and other provinces with mountain areas attended the conference, together with many government ministers and other leaders of government agencies concerned.

Delegates to the conference all agreed that economic growth of the mountain areas in the past three years developed at a relatively good rate. The economy has developed from a spontaneous and self-supplied level to a merchandise economy, with some merchandise economic areas being established. Physical and technical facilities were improved significantly; education and public health also scored some primary progress, thus creating the foundation for further development in later years. The livelihood of minority ethnic groups is gradually improving. The political and national defense situation in the regions, including border areas, was firmly protected.

Because of its low starting point in comparison with other regions, however, the mountain region's economic growth is still insignificant, despite a relatively good development rate in the localities. Mountain provinces still lag behind the country's other regions.

After Deputy Prime Minister Tran Duc Luong summarized all of the opinions raised by the delegates, Prime Minister Vo Van Kiet reminded the conference regarding the following five issues:

1. Different geographic structures between the country's regions causes unequal economic growth between them. The government has development plans for major economic regions, thus creating the conditions for these regions to start first; in turn, these regions will encourage and assist the development of remote and other areas together with all of the country's other localities.
2. The management of socioeconomic development in the mountain region requires specific plans that suit the peculiar conditions of each locality. More attention should be paid to the transportation network in the construction of the infrastructure for the localities, since the public road system should be treated as the spinal cord of development and a foundation for other areas.
3. Cultural and socioeconomic master plans for the mountain region should be regularly reviewed and

adjusted in order to keep state policies for the mountain region relevant and efficient at all times.

4. Attention should be paid to measures to eliminate hunger and reduce poverty among the mountain region's residents. Individual households should be used as a unit to assess levels of economic achievement—such as needy, average, better off, rich, and so forth.

5. Local authorities should strive to control improvised migration and should show responsibility toward residents living in their localities by helping them to settle in their lives as well as in their farming work; central government is always ready to help in this area.

Australia**Further Comment on French Nuclear Testing****Keating Says France 'Rattled'**

*LD1109101895 Melbourne Radio Australia
in English 0700 GMT 11 Sep 95*

[FBIS Transcribed Text] Australia and New Zealand have rejected claims by French President Jacques Chirac that they are campaigning for an end to the French colonial role in the South Pacific. Mr. Chirac has accused both Canberra and Wellington of exploiting his decision to resume nuclear testing at Mururoa atoll. Australian Prime Minister Paul Keating says Australia is concerned about the tests, not independence for French colonies. Mr. Keating says President Chirac has obviously been stung by the strength of world reaction against the tests.

[Begin Keating recording] The Government of France is rattled. He's made a number of statements today, which I think from Australia's point of view, are ridiculous — that Australia does not provide aid to the South Pacific, where in fact our annual aid to [South Pacific] Forum countries is around 450 million [currency not specified]. And he went on to say that French Polynesia has a higher standard of living than Australia; that's untrue. [end recording]

The New Zealand prime minister, Jim Bolger, says at no stage has Wellington been involved in discussions on wanting France out of the Pacific: The prime minister is rejecting the French president's accusations that New Zealand wants France out of the Pacific, but Jim Bolger won't make any formal response to France. President Jacques Chirac claims Australia and New Zealand are trying to drive France from the region with their antinuclear testing protests. Prime Minister Jim Bolger says the president's comments do not reflect New Zealand's agenda.

[Begin Bolger recording] I presume they are born of frustration. They simply have nothing to do with any New Zealand agenda and [passage indistinct] [end recording].

Ministers Comment

*BK1109072495 Melbourne Radio Australia
in English 0500 GMT 11 Sep 95*

[FBIS Transcribed Text] Australia and New Zealand have rejected claims by France's president, Jacques Chirac, that the two countries want France out of the Pacific. President Chirac has accused Australia and New Zealand of exploiting his decision to resume nuclear testing at Mururoa Atoll. The Australian Government

has again moved to reassure France that it is not working to bringing end to the French presence in the South Pacific. Michael Rowland reports:

[Begin recording] [Rowland] The Australian Government maintained that the opposition to the test is motivated by environmental and safety concerns and has no hidden agenda to end the French presence in the South Pacific. Foreign Affairs Minister Gareth Evans says France has a legitimate role to play in the South Pacific and Australia welcomes the aid it channels into the region. Pacific Island Affairs Minister Gordon Bilney says the French president's assertion is unjustified.

[Bilney] We've always said in Australia that we have one argument to discuss and one argument only, and that is the... over the question in their testing in the South Pacific.

[Rowland] As President Chirac stressed to end French purchases of Australian uranium the government argues there is nothing to be gained from a trade war. [end recording]

At the same time, the New Zealand prime minister, Jim Bolger, says that (?at no stage that there had been any discussion) on wanting France out of the Pacific.

Antinuclear Protests Continue Nationwide**'Over 300' Gather in Adelaide**

*BK0909131395 Melbourne Radio Australia
in English 1100 GMT 9 Sep 95*

[FBIS Transcribed Text] The French flag was burned and chants for a nuclear free world rang out during an antinuclear rally in Adelaide today. Over 300 people gathered on the steps of Parliament House to protest France's nuclear test program in the South Pacific. Friends of the Earth spokesman Steven Baker says there should be a ban on uranium sales to France. He says the whole industry is dirty.

[Begin Baker recording] Uranium shouldn't be mined at all. We don't think that there should be any exports of uranium, but in particular, there shouldn't be exports to France. We believe that all exports of uranium to France should end. That only represents 0.05 percent of the total mineral exports in Australia. That's a very small amount, a very small percentage of the mineral exports.

250 in Canberra Against Uranium Mining

*LD1009122295 Melbourne Radio Australia
in English 1100 GMT 10 Sep 95*

[FBIS Transcribed Text] Uranium mining was the focus of an antinuclear protest outside the French Embassy

and at Parliament House in Canberra today. About 250 people gathered to protest against the French nuclear test at Mururoa and to urge the Australian Government to ban uranium mining. Organizer of the Campaign Against Nuclear Testing James Basil says it's possible Australian uranium has been used to produce the nuclear weapons tested at Mururoa. Mr Basil says the government should end uranium mining and be prepared to compensate the companies concerned.

Plan To Share 'Secret' Data With Asia Studied

BK1109045895 Sydney THE AUSTRALIAN
in English 11 Sep 95 p 1

[Report by Cameron Stewart]

[FBIS Transcribed Text] The Federal Government is investigating the possibility of giving South East Asian nations secret defence data obtained from the joint Australian United States military base at Nurrungar.

The Department of Foreign Affairs and Trade [DFAT] was last week asked to prepare a policy paper on the issue which, if adopted would represent a major step forward in military links between Australia and the region.

According to senior government sources, the DFAT paper will look at whether it is feasible for Australia to provide its neighbours with sensitive information on ballistic missile launches detected by the South Australian ground station.

A spokesman for the Minister for Foreign Affairs, Senator Evans, confirmed the possibility of sharing Nurrungar defence data with regional countries was "on the agenda as far as Australia is concerned".

Nurrungar uses infra-red satellite detection to give early warning of ballistic missile launches.

It provides warning of any major inter-continental ballistic missile attack as well as shorter range tactical missiles and is also used to monitor the proliferation of ballistic missiles.

Information obtained by Nurrungar was considered crucial to the Western alliance during the Cold War. It also played a key part in the defeat of Iraq during the Gulf War.

However, the end of the Cold War and the Government's desire to forge closer defence links with its neighbours has prompted a reassessment of the view that information from Nurrungar should only be available to Australia's closest allies.

Senator Evans first flagged the idea of sharing intelligence from Nurrungar with Asian countries in May 1992, but no action was taken.

The decision to formally investigate the idea is an attempt to build on the recent trend towards closer and more transparent military links with Asia.

However, it is understood that several major obstacles need to be overcome before information on ballistic missiles could be shared with Asia.

French Polynesia

Further on Tahiti Antinuclear Riots Aftermath

Judiciary Begins Inquiry

BK0909101495 Melbourne Radio Australia
in English 0500 GMT 9 Sep 95

[FBIS Transcribed Text] In French Polynesia, a judiciary inquiry has begun into two days of rioting on the main island of Tahiti. Triggered by protest against the resumption of French nuclear testing in the South Pacific on Wednesday [6 September], the violence led to the wrecking of Papeete Airport and looting and arson in the city center. The high commissioner of French Polynesia, Paul Ronciere, indicated that local trade union and pro-independence leaders were likely to be questioned over their alleged role in the unrest.

In another development, nine activists of the environmental group, Greenpeace, have arrived in Papeete after they are released by the French Military. They had been detained in the area of the Mururoa nuclear test site exclusion zone. Our South Pacific correspondent, Erina Reddan, reports (?those) Greenpeace activists remained in French detention.

[Begin Reddan recording] The captain of the Rainbow Warrior II, John Castle, is still on Hao Island where the French Navy towed the protest vessel after its seizing; and it is expected he will be deported shortly while three more British citizens remain on Mururoa Atoll itself. French authorities have not given a timetable for their release. Greenpeace says it will continue its antinuclear protest action off exclusion zone. [Word indistinct] calm has returned to the capital, Papeete, after two days of rioting associated with antinuclear anger. While many protesters say they will fight on, a group of six Australian parliamentarians stranded in Papeete by the riot are meeting with local groups to develop a strategy to continue supporting the antinuclear struggle when they return home. [end recording]

Rioters Sentenced

*LD0909110495 Melbourne Radio Australia
in English 0900 GMT 9 Sep 95*

[FBIS Transcribed Text] Anti-French protestors in Tahiti have been jailed for four months following rioting and looting in French Polynesia following this week's French nuclear test. Courts in Papeete have handed down 13 four-month prison terms for offenses committed at Papeete Airport, which was virtually destroyed during riots triggered by the Mururoa Atoll tests. The violence at the airport left 16 people injured, including seven policemen. Formal charges were filed against another seven people who were allegedly involved in the subsequent rampage through the center of Papeete which involved widespread looting and arson. More than 100 people have been arrested or face charges as the city returns to a fragile state of calm and residents begin clearing the debris of smashed shop windows and burnt out cars.

The French High Commissioner Paul Ronciere said a judicial inquiry would be held to apportion the responsibility for all actions during the riot. He said he did not intend to let Polynesian pro-independence leader Oscar Temaru escape investigation. An official commission has been set up to assess the economic losses incurred by the riots as well as the physical damage to homes, businesses, and vehicles.

French Commandos Seize Yacht

*BK1009092095 Hong Kong AFP in English
0818 GMT 10 Sep 95*

[FBIS Transcribed Text] PAPEETE, Sept 9 (AFP)—French commandos boarded a yacht carrying lawmakers from Japan, Sweden, Luxembourg, Italy and Australia after it entered the exclusion zone around the Mururoa atoll nuclear test site, the military said.

Greenpeace Japan named the MPs on board as Tom Wheelwright and Ian Cohen from Australia, Kou Tanaka and Noboru Usami from Japan, Eva Goes from Sweden, Lino De Benetti and Sauro Turrone from Italy and Jup Weber from Luxembourg.

The US-registered La Ribaude, part of a 15-vessel flotilla protesting French nuclear tests, was boarded at 0024 GMT Sunday. Commandos have already boarded several other vessels, including the Greenpeace ships Rainbow Warrior II and the MV Greenpeace, which were taking part in anti-nuclear protests.

"The commandos are on board and the yacht is no longer under the control of the crew. You may say the boat is seized," said a Greenpeace spokesman in Tokyo, John Willis.

"Radio and telephone contact has been cut off, but before the boarding, the parliamentarians broadcast in English and French a statement that their protest is strictly peaceful," Willis said.

The French military said the vessel ignored five warnings to stay out of the 12 nautical mile exclusion zone.

The military said the decision was then taken to send commandos to board La Ribaude, which they said was carrying 19 people. French officials confirmed the nationalities of the eight lawmakers.

The 16 passengers were transferred to a French navy vessel and taken back to Mururoa where they found to be suffering from severe fatigue. Officials said they were treated at the nuclear base's infirmary.

Officials said they would be questioned Sunday and a decision taken then on when they would be taken back to the French Polynesia capital, Papeete.

New Zealand Press Association (NZPA), which has a correspondent on the New Zealand navy research vessel Tui, which was close by, said that after the warnings were given, La Ribaude replied it was on a peaceful protest.

Later a voice was heard to say from the La Ribaude: "We do not intend to stop unless you force us to stop," the NZPA report added.

The Tui also overheard an exchange of messages between the French military and the Manutea, the only other Greenpeace ship in the area, NZPA said.

The messages included a warning that the ship was headed for the exclusion zone and it was asked by the French to change course.

The 15 other craft in the flotilla off Mururoa accompanied La Ribaude to the 12 nautical mile zone, changing course at the last moment and remaining outside, NZPA said.

Last Tuesday, France detonated the first in a new series of underground nuclear tests at Mururoa, ignoring worldwide opposition to its decision to end a three-year moratorium on testing.

Parliamentarians Released

*BK1109101195 Melbourne Radio Australia
in English 0500 GMT 11 Sep 95*

[FBIS Transcribed Text] A group of international parliamentarians has been released from French custody. South Pacific correspondent, Erina Reddan, reports the parliamentarians, including two Australians, breached the military exclusion zone around the French testing site of Mururoa in a Greenpeace vessel.

[Begin Reddan recording] The parliamentarians say they were well-treated by the French military. The eight say they were treated better than the seven journalists, in return, were better treated than the four Greenpeace activists. The powerful group was kept under arrest while at Mururoa. They refused an invitation to tour the atoll because they were under detention. Reading a prepared statement on arrival at Faaa International Airport, the parliamentarians say they will continue to fight against nuclear testing on return to their home country. [end recording]

Union Leader Arrested

LD1009102595 Paris France-Inter Radio Network
in French 0600 GMT 10 Sep 95

[FBIS Translated Text] In Papeete several rioters were given prison sentences yesterday, and several thousand people went into the streets claiming to belong to the silent majority against violence.

Hiro Tefaarere, a trade union leader and former policeman, has just been arrested. He is suspected of being one of those behind the recent outbreak of violence in French Polynesia. Nicolas Poincare:

[Poincare] Hiro Tefaarere had been wanted since the riots on 6 September. He was arrested at the premises of his union, as he was about to hold a secret news conference. He is currently being detained at the gendarmerie premises. The public prosecutor says that he is accused of leading the demonstrators who set the Tahiti- Faa airport on fire.

He was indeed there on the runway — everyone saw him — with his megaphone as the incidents started. Speaking on the phone to LIBERATION yesterday, he denied any responsibility for the sacking of the airport. They are trying to make me carry the can, he said. I was there, but I was trying to calm the young people down.

Hiro Tefaarere is the secretary general of A Tia I Mua. This is the third biggest trade union in Tahiti, but the biggest in the airport, in the port of Papeete, and among the civilian personnel on Mururoa.

Hiro Tefaarere was a police inspector in the special branch [renseignements generaux] until Jean-Louis Debre dismissed him on 8 September.

New Zealand

Bolger Replies to Chirac Remarks on Tests

BK1109020495 Hong Kong AFP in English
0152 GMT 11 Sep 95

[FBIS Transcribed Text] Sydney, Sept 11 (AFP) — Australia and New Zealand both Monday sharply rejected claims by French President Jacques Chirac that

they were stoking up protests over nuclear tests so as to oust France from the Pacific.

New Zealand's premier Jim Bolger told reporters in Wellington that the issue had never been discussed within his government.

Bolger said Chirac's claim was "simply and factually wrong."

"At no stage, in any discussions we've had in government or with the other political leaders in New Zealand, has there been a suggestion that we wanted France out of the Pacific," he said

Chirac questioned whether both France and New Zealand were stoking up protests about the tests at Mururoa Atoll in order to speed up a French withdrawal from the Pacific.

"What the Australians and New Zealanders can't stand is that we are in the Pacific," Chirac said in a televised interview Sunday.

"What they want in reality is to get France out of the Pacific," he said.

Gordon Bilney, Australia's minister for Pacific Island affairs, who returned at the weekend from leading an anti-test delegation to Paris and other European capitals, said France was "getting increasingly uncomfortable with the isolation that they now feel" over the nuclear test issue.

He stressed that, during his visit, he said "until I was blue in the face, that Australia was not on about getting France out of the Pacific, quite the reverse.

"There is such a thing as willfully ignoring the message and trying to shoot the messenger," said Bilney

"Our sole argument with the French is not about independence in the Pacific or the French presence there, it's about nuclear testing," Bilney had said Sunday.

Chirac also warned Australia that France could stop buying Australian uranium.

Under a long-term contract, Australia annually sells 272 tonnes of uranium oxide concentrate to France's energy utility Electricite de France, with sales worth around 11 million dollars (8 million US).

Safeguards meant that the Australian uranium sold to France was only used for power generation, not for weapons, Bilney said.

The Ranger uranium mine last week delayed a shipment of uranium partly because emotions were running high in Australia over the nuclear test issue.

The Australian Government has not initiated a formal boycott of French goods because it would hurt French people, who were overwhelmingly against the tests, said Bilney.

"We could each do economic damage to each other if we got involved in a trade war and the Australian government certainly doesn't seek that, because we know that, in a trade war, there are no winners, there are only losers," he added.

Bilney said Chirac's claim that Australia did not give aid to Pacific countries was unjustified as it gave more than 400 million dollars a year, almost a third of its aid budget.

Alexander Downer, the foreign affairs spokesman for the conservative opposition coalition, who was a member of the delegation to Europe, said Chirac's comments were "little short of despicable."

"Our delegation saw the defence minister, the overseas territories minister and the development minister in France and not one of those ministers raised these issues with us and in every single case we told those ministers that it was not our agenda in Australia to drive France out of the Pacific and that we were totally opposed to any formal government-based trade boycotts," he said.

Ambassador to France Returns for Consultations

*LD0909111895 Melbourne Radio Australia
in English 0900 GMT 9 Sep 95*

[FBIS Transcribed Text] New Zealand's ambassador to Paris, Chris Beeby, has arrived in Wellington after being recalled for consultations in protest over the resumption of French nuclear tests. Beeby would not comment to reporters, saying that he would meet Prime Minister Jim Bolger next Monday.

That's also the day a New Zealand legal team, headed by the Attorney General, Paul East, will present the government's case against nuclear testing at the International Court of Justice in The Hague. It will seek an interim judgement to stop nuclear tests while an environmental impact assessment is carried out.

Papua New Guinea

First Day of Bougainville Peace Talks Ends

*BK0909130895 Melbourne Radio Australia
in English 1100 GMT 9 Sep 95*

[FBIS Transcribed Text] Representatives from Papua New Guinea's [PNG's] troubled island province of Bougainville have finished their first day of peace talks in the northern Australian city of Cairns. The talks are aimed at ending the six-year secessionist rebellion and to the first direct negotiations since the peace conference in the Bougainville town of Arawa collapsed last year. The Cairns Talks include the head of the PNG-sponsored Bougainville Transitional Government, Premier Theodore Miriung; three members of the National Parliament, and the BRA's [Bougainville Revolutionary Army's] political wing — the unofficial Bougainville Interim Government.

A member of the interim government, Martin Miriori, says the talks will continue for the next few days but it is too early to speculate on the outcome.

[Begin Miriori recording] I think that good thing is that we are talking. It proves that, from the Bougainville, people are talking and this is what we have been wanting for a long time. We've asked for this occasion to be given to us or the opportunity be given to us and the talking is a main thing. [end recording]

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